

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b) OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

- Preliminary Information Statement
 Definitive Information Statement

2. Name of Registrant as specified in its charter

BASIC ENERGY CORPORATION

3. Province, country or other jurisdiction of incorporation or organization

Philippines

4. SEC Identification Number

36359

5. BIR Tax Identification Code

000-438-702-000

6. Address of principal office

GM Building, Florida St., Barangay Wack-Wack, Greenhills East, Mandaluyong City
 Postal Code
 1556

7. Registrant's telephone number, including area code

79178118

8. Date, time and place of the meeting of security holders

Jul 8, 2026; 3PM; Manila Polo Club (Turf Room)

9. Approximate date on which the Information Statement is first to be sent or given to security holders

Jun 16, 2026

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor

none

Address and Telephone No.

N/A

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	14,668,643,064

13. Are any or all of registrant's securities listed on a Stock Exchange?

- Yes No

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange; Common Shares

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Basic Energy Corporation BSC

**PSE Disclosure Form 17-5 - Information Statement for Annual or
Special Stockholders' Meeting
References: SRC Rule 20 and
Section 17.10 of the Revised Disclosure Rules**

Date of Stockholders' Meeting	Jul 8, 2026
Type (Annual or Special)	Annual
Time	3:00 PM
Venue	Manila Polo Club (Turf Room)
Record Date	Jun 1, 2026

Inclusive Dates of Closing of Stock Transfer Books

Start Date	Jun 1, 2026
End date	Jul 8, 2026

Other Relevant Information

please refer to attached Preliminary Information Statement of Basic Energy Corporation

Filed on behalf by:

Name	Dominique Pascua
Designation	Compliance Officer



Notice is hereby given that the Annual Stockholders' Meeting will be held on **Wednesday, July 08, 2026 at 3:00** in the afternoon.

The agenda for the said meeting shall be as follows:

1. Call to Order
2. Certification of Notice of Meeting and Existence of Quorum
3. Approval of the Minutes of the Stockholders' Meeting held on 23 July 2025
4. President's Report
 - a. 2025 Annual Report
 - b. 2026 First Quarter Report
5. Ratification of Acts of the Board of Directors and Management for 2025-2026
6. Election of Directors for 2026-2027
7. Appointment of External Auditors for the 2026 Financial Statements
8. Other Matters
9. Adjournment

The annual stockholders meeting shall be held at the Turf Room, Manila Polo Club, located at 35 McKinley Road, Forbes Park, Makati City. As required under SEC regulations, there will be audio and visual recordings of the meeting for future reference. The processes for the registration, participation and voting by stockholders are attached as Annex A hereof.

Only stockholders of record at the close of business on 01 June 2026 are entitled to notice of, and to vote at this meeting. For this purpose, the stock and transfer book of the Corporation shall be closed from June 01, 2026 to July 08, 2026.

Should you wish to authorize a representative to attend the meeting in your behalf, please accomplish the attached Proxy Form (Annex B) and email a copy to ajtgarduce@basicenergy.ph, janice.co@mvgslaw.com, or gwyneth.ong@mvgslaw.com on or before 3:00 pm on June 26, 2026. You may mail or deliver the hard copy of same to the Corporation at 6F, 11th Corporate Center, 11th Avenue corner Triangle Drive, North Bonifacio, Bonifacio Global City, Taguig City. Validation of proxies will be on July 2, 2026 at 5:00 p.m. at 6F, 11th Corporate Center, 11th Avenue corner Triangle Drive, North Bonifacio, Bonifacio Global City, Taguig City.

You may access the 2026 Preliminary Information Statement, the 2025 Management Report, SEC Form 17-A for 2025 and other pertinent or related documents from the Corporation's website at www.basicenergy.ph or at the PSE Edge, or you may also request copies thereof from the Corporation. A copy of the Minutes of the 2025 Annual Stockholders Meeting are available for your perusal at the Corporation's website at www.basicenergy.ph. We look forward to your attendance at the Annual Stockholders' Meeting.

Gwyneth S. Ong
Corporate Secretary

EXPLANATION OF AGENDA ITEMS

Proof of notice and determination of quorum

The Company has established a designated page on its website in order to facilitate the registration of and voting in absentia by stockholders at the annual meeting, as allowed under Sections 23 and 57 of the Revised Corporation Code. A stockholder or member who votes by proxy shall be deemed present for purposes of quorum.

The Corporate Secretary will certify the date the notice of the meeting was published as required by the Securities and Exchange Commission.

The complete guidelines for voting in absentia is found on the attached Annex A.

Approval of the Minutes of the Stockholders' Meeting held on July 23, 2025

The minutes of the meeting held on July 23, 2025 are posted at the Company website, www.basicenergy.ph

President's Report

The President, Mr. Luisito V. Poblete, will deliver a report to the stockholders on the performance of the Company in 2025 and the outlook for 2026. The financial statements as of December 31, 2025 and the Interim Financial Statements as of March 31, 2026 (FS) are attached in the Information Statement.

A copy of SEC Form 17-A is uploaded to the Company's Website at www.basicenergy.ph and PSE EDGE under Company Disclosures.

Ratification of Acts of the Board of Directors and Management for 2025

A summary of the acts of the Board of Directors and Management are attached as Annex C of the Definitive Information Statement and are likewise disclosed in PSE EDGE under Company Disclosures.

Election of Directors for 2026-2027

Each stockholder entitled to vote may cast the votes to which the number of shares he owns entitles him, for as many persons as there are to be elected as directors, or he may give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of Directors to be elected. The eleven nominees receiving the highest number of votes will be declared elected as directors of the company.

Please refer to the attached Annex A for the complete guidelines on voting.

Appointment of External Auditors for the 2026 Financial Statements

Reyes Tacandong & Co., independent auditors, will be recommended to be appointed as the external auditor of the Company for the ensuing year. Representatives of Reyes Tacandong & Co. are expected to be present at the Annual Meeting.

A resolution for the election of the external auditor will be presented to the stockholders for adoption by the affirmative vote of stockholders representing a majority of the voting stock present at the meeting.

Other Matters

The Chairman and/or President will answer questions on matters concerning the Agenda, the Information Statement, and the Management Report sent via the Company website. Questions may be submitted in advance during the registration process and shall be addressed by the Chairman and/or President from the floor.

REQUIREMENTS AND PROCEDURES FOR VOTING IN ABSENTIA AT THE ANNUAL STOCKHOLDERS MEETING OF BASIC ENERGY CORPORATION

I. Participation and Voting In Absentia of Stockholders

Stockholders of Basic Energy Corporation (the “**Company**”) as of June 01, 2026 (“**Stockholders**”) may participate and exercise their right to vote on the agenda items in the 2026 Annual Stockholders Meeting (ASM) of the Company, to be held on July 08, 2026 at 3:00 pm at the Turf Room, Manila Polo Club and voting in absentia. Voting in absentia means that stockholders shall have the opportunity to vote during the ASM without being physically present during the meeting.

II. Registration of Stockholders and Proxy Holders

a. The right to participate and to vote are subject to the successful registration of the Stockholders with the Company’s Stockholders Registration platform posted at the Company’s website www.basicenergy.ph. The registration will run from June 02, 2026, up to 5:00pm on June 26, 2026. After this latter date, stockholders will no longer be allowed participate nor vote in absentia at the ASM.

b. To register, the Stockholder and Proxy Holders shall be requested to create a Log In Account and provide the items enumerated below to prove his/her identity and his/her right to participate and vote in the ASM:

- 1) Stockholder Name (First Name, Middle Name and Last Name);
- 2) Complete address;
- 3) E-mail address;
- 4) Contact number;
- 5) Digital copy of the front and back portions of the Stockholder’s two (2) valid government-issued IDs (in JPG format) (which shall be attached to the registration form);
- 6) If the Stockholder has issued a Proxy in favor of another person, the proxy holder shall likewise input under his name items 1) to 5) above; and
- 7) If the Stockholder who has issued a Proxy is a corporate entity, the digital copy of the Stockholder’s Secretary’s Certificate and Proxy shall be attached to the registration form.

c. The Company reserves its right to require additional personal data or documents to ensure the identity and validate the right of the Stockholder or his/her Proxy to participate and vote in the ASM. At all times, the right of the Stockholder to the privacy of his/her personal data as provided in the Data Privacy Act shall be ensured.

d. The Stockholder and his/her proxy shall be advised by email acknowledging his/her registration, or should there be additional requirements needed by the Company.

e. The registration data and other requirements shall be validated by the Company upon submission of the complete registration requirements and not later than three (3) business days prior to the ASM.

III. Voting Procedures

a. All agenda items indicated in the Notice of the Meeting will be set out in the digital absentee ballot and the registered Stockholder, or his/her proxy, may vote as follows:

- 1) For items other than the election of Directors, the registered Stockholder, or his/her proxy, will have the options to vote “Approve,” “Disapprove,” or “Abstain” or “Vote Withheld”. The vote is considered cast for all the registered stockholder’s shares.

- 2) For the election of Directors, the registered stockholder, or his/her proxy, may vote for all nominees or cumulate his vote for one or some of the nominees provided that the total number of allowable votes will not exceed the number of shares multiplied by the number of Board seats (Number of Shares x 11 Directors= Number of Voting Shares).
- b. Once the registered Stockholder, or his/her proxy, has finished voting on the Agenda items, he/she can proceed to submit his/her electronic ballot by clicking the 'Submit' button. After the electronic ballot has been submitted, the registered Stockholder or his/her proxy may no longer change his/her vote.
 - c. The integrity and secrecy of votes shall be protected. As such, all votes received will be tabulated and validated by the Office of the Corporate Secretary. The external auditors may also be present to validate the results.
 - d. The Corporate Secretary shall report the results of voting during the meeting.

(Nothing Follows)

Proxy Form

The undersigned stockholder of **BASIC ENERGY CORPORATION** (the "Corporation"), hereby appoints _____ or, in his absence, the Chairman of the Board, or in the latter's absence, the President of the Corporation, as proxy to represent and vote all shares registered in the name of the undersigned at the Annual Meeting of the stockholders of the Corporation scheduled on July 08, 2026 at 3:00 P.M., and any postponements or adjournments thereof, hereby ratifying and confirming all actions taken by said proxy on matters which may properly be taken up at such meeting, its postponements or adjournments. In particular, the undersigned hereby directs the proxy to vote the shares on the following agenda items in the manner indicated below, or if not so indicated, the proxy shall exercise full discretion in acting thereon.

AGENDA ITEM		ACTION			
		Approve	Disapprove	Abstain	
1.	Approval of the Minutes of the Stockholders' Meeting held on July 23, 2025				
2.	Approval of the 2025 Annual Report and Approval of the 2025 Consolidated Audited Financial Statements				
3.	Ratification of Acts of the Board of Directors and Management for 2025				
4.	Election of Directors				Authority to Vote Withheld
	Oscar L. de Venecia, Jr.				
	Manuel Z. Gonzalez				
	Luisito V. Poblete				
	Beatrice Jane L. Ang				
	Alberto Emilio V. Ramos				
	Jaime J. Martirez				
	Maria Rosette Geraldine L. Oquias				
	Frank Lloyd C. Gonzaga				
	Kim S. Jacinto-Henares (Independent Director)				
	Carlos Jose P. Gatmaitan (Independent Director)				
	Josefina Patricia A. Magpale-Asirit (Independent Director)				
7	Appointment of Reyes Tacandong & Co. as External Auditors				

The above-named director-nominees were screened and pre-qualified in accordance with the Corporation's Manual of Corporate Governance and SEC Memorandum Circular No. 19, series of 2016.

Signed this _____, 2026 at _____.

Name of Stockholder: _____

Signature of Stockholder/Authorized Representative: _____

Note: For corporate stockholders, please attach a notarized copy of the Corporate Secretary's Certificate authorizing the issuance of the proxy form and designating the authorized representative of the corporation who will sign the proxy form, together with a copy of a valid ID of the designated authorized representative. For individual stockholders, please attach a copy of a valid ID of the designated authorized representative/proxy.

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

- Preliminary Information Statement
 Definitive Information Statement
 Additional Materials

2. Name of Registrant as specified in its charter **Basic Energy Corporation**

3. Incorporated in the Philippines
Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number: **36359**

5. BIR Tax Identification Code: **000-438-702**

6. **GM Building, Florida St., Brgy. Wack Wack, Greenhills East, Mandaluyong City, 1555**

Address of principal office Postal Code

7. Registrant's telephone number, including area code **+63(2) 3224-4383**

8. Date, time and place of the meeting of security holders

Date and Time: **July 08, 2026 at 3:00 P.M.**
Place: **Turf Room, Manila Polo Club**

9. Approximate date on which the Information Statement is first to be sent or given to the security holders. **On or before June 16, 2026.**

10. Name of Persons other than the Registrant Filing Proxy Statement : **Not Applicable**

11. Securities registered pursuant to Sections 8 and 12 of the Code (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common	14,668,643,064
	14,218,643,064 (Listed)

12. Are any or all of registrant's securities listed on a Stock Exchange?

Yes No

If so, disclose name of the Exchange: **The Philippine Stock Exchange, Inc.**

PART I

A. GENERAL INFORMATION

ITEM I. DATE, TIME AND PLACE OF MEETING OF SECURITY HOLDERS

The 2026 Annual Meeting of Stockholders of BASIC ENERGY CORPORATION (the "Corporation") will be held on Wednesday, **July 08, 2026** at 3:00 P.M. at the Turf Room, Manila Polo Club located at 35 McKinley Road, Forbes Park, Makati City.

RECORD DATE

The record date for the purpose of determining stockholders entitled to notice of, and to vote at, the Annual Stockholders Meeting is June 01, 2026.

APPROXIMATE DATE OF RELEASE OF INFORMATION STATEMENT AND PROXY FORM

Date: June 16, 2026

ITEM II – DISSENTERS' RIGHT OF APPRAISAL

The appraisal right of dissenting stockholders is governed by Sec. 80-85 of the Revised Corporation Code, which provide as follows:

The appraisal right may be exercised by any stockholder who shall have voted against (1) an amendment to the Articles of Incorporation that changes or restricts the rights of any stockholder or class of shares, or authorizes preferences in any respect superior to the outstanding shares of any class, or extends or shortens the corporate existence; (2) a sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; (3) a merger and consolidation; and (4) investment of corporate funds for any purpose other than the primary purpose of the corporation. The dissenting stockholder who votes against any of the aforementioned proposed corporate action shall make a written demand on the corporation for payment of the fair value of his share(s), within thirty (30) calendar days from the date on which the vote was taken. Failure to make the written demand within such period shall be deemed a waiver of the appraisal right.

If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate/s of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made. No payment shall be made to any withdrawing stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment. Upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

From the time of the demand for the payment of the fair value by the dissenting stockholder until either the abandonment of the corporate action involved or the purchase of the shares by the corporation, all rights accruing to such shares, including voting and dividend rights shall be suspended. However,

if the dissenting stockholder is not paid the value of his shares within the said 30 days after the award, his voting and dividend rights shall immediately be restored.

The right of the dissenting stockholder to be paid the fair value of his shares shall cease: (i) if the demand for payment is withdrawn by the stockholder with the consent of the corporation (ii) if the corporate action involved is abandoned or rescinded by the corporation or is disapproved by the Securities and Exchange Commission (SEC) where such approval is necessary; or (iii) if the SEC determines that the stockholder is not entitled to appraisal rights. In such cases, the status as stockholder shall be restored and all dividend distributions which would have been accrued on the shares shall be paid to the stockholder.

ITEM III - INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director or officer of the Corporation or nominee for election as director, or officer of the Corporation, or past director or officer of the Corporation at anytime since the beginning of the last fiscal year, and to the best knowledge of the Corporation, no associate of a director or officer or nominee for election as director or officer of the Corporation has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon at the Annual Meeting of Stockholders, other than the election as directors of the incumbent directors.

The Corporation has not received any information from a director or nominee-director of the Corporation, either verbally or in writing of his/her intention to oppose any action to be taken by the Corporation at the annual stockholders meeting.

B. CONTROL AND COMPENSATION INFORMATION

ITEM IV - VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

a) **Number of common shares** – 14,668,643,064 common shares as of March 31, 2026. The Corporation has only one class of shares, which are common shares. Of these outstanding shares, 63,043,030 shares (or 0.43%) are held by foreigners as of March 31, 2026. Each share is entitled to one vote, subject to cumulative voting, as explained below. There are no restrictions that limit the payment of dividends on common shares.

b) **Record Date** – June 01, 2026

c) **Voting Rights** - At the annual meeting of stockholders, every stockholder entitled to vote shall have the right to vote the number of shares of stocks standing in his own name in the stock books of the corporation at the time of the meeting. In the election of directors, a stockholder may: (a) vote such number of shares for as many persons as there are directors to be elected; (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or (c) distribute them on the same principle among as many candidates as may be seen fit, provided that the total number of votes cast shall not exceed the number of shares owned by the stockholder as shown in the books of the corporation multiplied by the whole number of directors to be elected. No delinquent stock shall be voted.

d) **Security Ownership of Certain Record and Beneficial Owners and Management**

(1) **Security Ownership of Certain Record and Beneficial Owners**

The entities known to the Registrant to be directly or indirectly the record or beneficial owner of more than 5% of the Corporation's outstanding common shares as of March 31, 2026 are:

(1) Title of Class	(2) Name & Address of Record Owner & Relationship with Issuer	(3) Name of Beneficial Ownership and Relationship with Record Owner	(4) Citizen-ship of Record Owner	(5) No. of Shares Held & Nature of Ownership (Record/ Beneficial)	(6) Percentage
Common Shares	Map 2000 Development Corporation (M2DC)* Bldg. F, Phoenix Sun Business Park, E.Rodriguez Jr. Avenue, Brgy. Bagumbayan, Quezon City	Beneficial Owner: Rafaelito N. Villavicencio, Chairman of M2DC.	Filipino	9,827,990,853 (Record)	67.00%

*MAP 2000 Development Corporation (M2DC) (formerly Map 2000 Energy, Inc.), is a domestic corporation duly registered under the laws of the Republic of the Philippines and is authorized to engage in (a) real estate acquisition, real estate development, rentals, property management and related services, and (2) acquiring shares of stocks of viable corporations to actively exercise the rights of a shareholder. It owns a few real properties being leased out as fuel station lots, office establishment, production plant or commercial lands.

The current Board of Directors and Officers of M2DC are the following:

Rafaelito N. Villavicencio – Chairman
Luisito V. Poblete – Director/ President
Ana Lisa D. Villavicencio – Director/ Treasurer
Manuel Z. Gonzalez – Director
Donna SL. Sansano – Director/ Corporate Secretary

The shares held by M2DC shall be voted by its duly designated proxy in the Proxy Form to be executed by M2DC and submitted prior to the deadline for proxy submission as indicated in the notice of the annual stockholders' meeting.

**Philippine Depository and Trust Corporation ("PDT") is a wholly-owned subsidiary of the Philippine Central Depository, Inc. ("PCD"), which acts as trustee-nominee for all shares lodged in the PCD system. It was formerly known as the PCD Nominee Corporation. The beneficial owner of such shares are the PCD's participants who hold the shares on their behalf or on behalf of their clients. Under a master Proxy Form to be executed by PDT, the PCD participants are named as sub-proxies, who in turn shall submit their respective Proxy Forms before the deadline for proxies as required in the notice of the annual stockholders meeting, indicating their duly designated representatives who shall vote for the shares held by their respective clients, when so authorized by them.

PCD is a private corporation organized to implement an automated book entry system of handling securities transactions in the Philippines. Under the PCD procedures, when an issuer of a PCD-eligible issue will hold a stockholders' meeting, the PCD shall execute a pro-forma proxy in favor of its participants for the total number of shares in their respective principal security account as well as for the total number of shares in their client securities account. For the shares held in the principal securities account, the participant concerned is appointed as proxy with full voting rights and powers as registered owner of such shares. For the shares held in the client securities account, the participant concerned is appointed as proxy, with the obligation to constitute a sub-proxy in favor of its clients with full voting and other rights for the number of shares beneficially owned by such clients.

As of March 31, 2026, out of the 14,668,643,064 issued and outstanding shares of the Corporation, 4,006,169,424 shares (or 27.31%) are held by the public.

(2) Security Ownership of Directors and Key Officers

The following are the number of common shares known to the Corporation to be owned beneficially and/or of record by the directors/nominees and key officers of the Corporation, and the percentage of shareholdings of each, as of March 31, 2026

DIRECTORS

Title of Class	Name of Beneficial Owner	Amount of Beneficial Ownership & Relationship w/ Beneficial Owner		Citizenship	Percentage
		Direct	Indirect		
Common	Oscar L. de Venecia, Jr.	1,196,666 (direct)	45,746,330 (indirect)	Filipino	0.32%
Common	Jaime J. Martinez	0 (direct)	467,500,000 (indirect)	Filipino	3.19%
Common	Luisito V. Poblete	10,000 (direct)	0 (indirect)	Filipino	0%
Common	Beatrice Jane L. Ang	1,000 (direct)	150,944,248 (indirect)	Filipino	1.03%
Common	Carlos Jose P. Gatmaitan	10,000 (direct)	0 (indirect)	Filipino	0%
Common	Manuel Z. Gonzalez	1 (direct)	0 (indirect)	Filipino	0%
Common	Maria Rosette Geraldine L. Oquias	1 (direct)	0 (indirect)	Filipino	0%
Common	Kim S. Jacinto-Henares	1 (direct)	0 (indirect)	Filipino	0%
Common	Josefina Patricia A. Magpale-Asirit	0 (direct)	10,000(indirect)	Filipino	0%
Common	Alberto Emilio V. Ramos	10,000 (direct)	0 (indirect)	Filipino	0%
	TOTAL	Direct	Indirect		4.54%
		1,207,669	664,220,578		
		665,428,247			

KEY OFFICERS

Title of Class	Name of Beneficial Owner	Amount of Beneficial Ownership & Relationship w/ Beneficial Owner		Citizenship	Percentage
		Direct	Indirect		
	Alain S. Pangan	0		Filipino	0%
	Darius A. Marasigan	0		Filipino	0%
	Gwyneth S. Ong	0		Filipino	0%
	Janice L. Co	0		Filipino	0%
	Dominique P. Pascua	0		Filipino	0%
	TOTAL	0			0%

Number of Shareholders

The Company has only one (1) class of shares - common shares. The total number of holders of common shares of the Company is 6,496 stockholders, as of 30 April 2026.

Market Information

The shares of stock of the Company are traded in the Philippine Stock Exchange. The Company's high and low closing prices for each quarter of years 2024 and 2025, and the first quarter of 2026, are as follows:

	High			Low		
	2026	2025	2024	2026	2025	2024
1 st Quarter	0.121	0.127	Php0.177	0.117	Php0.126	Php0.167
2 nd Quarter		0.131	0.138		0.124	0.135
3 rd Quarter		0.117	0.140		0.116	0.137
4 th Quarter		0.117	0.141		0.114	0.138

The last trading price of shares of the Company at close of trading as of May 29, 2026 was Php 0.111 per share, with a high of Php 0.115 per share and a low of Php 0.111 per share.

Top 20 Stockholders as of March 31, 2026:

NAME	NUMBER OF SHARES HELD	PERCENTAGE (To the Total Outstanding Shares)
PCD Nominee Corporation	14,018,184,037	95.565%
Filipino -	13,968,281,305	
Non-Filipino -	49,902,732	
Ecology Energy Corporation	450,000,000	3.067%
Buenconsejo, Mario T. or Stephen Pol B. Buenconsejo	15,000,000	0.102%
Samuel Uy	10,000,000	0.068%
Horacio Rodriguez	4,408,523	0.030%
Christine Chua	3,149,221	0.021%
East West Commodities, Inc.	3,019,498	0.020%
PAIC Securities Corporation	2,025,906	0.013%
Northwest Securities, Inc.	1,977,273	0.013%
Santiago Tanchan	1,940,398	0.013%
Joseph D. Ong	1,602,391	0.010%
Phases Realtors Inc.	1,516,002	0.010%
Victoria Duca	1,363,249	0.009%
Aquatic Ranch Development Corp	1,353,080	0.009%
F. Yap Securities, Inc	1,317,969	0.009%
Victoria Duca	1,279,962	0.008%
David Go Sec.Corp	1,262,676	0.008%
Oscar L. De Venecia jr.	1,196,666	0.008%
Ricardo Ng	1,185,000	0.008%
Christodel Phils, Inc.	1,173,745	0.008%

Voting Trust Holders of 5% or more

None of the directors and officers own 5% or more of the outstanding capital stock of the Corporation. The Corporation is also not aware of any person holding 5% or more of the Corporation's outstanding shares under a voting trust agreement or similar agreement.

Changes in Control

Last December 18, 2020, the Corporation and Map 2000 Development Corporation (M2DC) executed a Memorandum of Agreement covering the subscription by M2DC to Nine Billion Eight Hundred Twenty Seven Million Nine Hundred Ninety Thousand Eight Hundred Fifty Three (9,827,990,853) primary shares of stock of BEC to be issued out of the increase in the authorized capital stock (ACS) of the Corporation from Php2.5 Billion to Php5.0 Billion, representing 67% of the issued and outstanding capital stock of the BEC post-increase. The subscription was subject to the fulfillment of certain conditions, including the approval by the Securities and Exchange Commission (SEC) of the application for said increase in ACS.

On September 10, 2021, the SEC approved the increase in the authorized capital stock of the Corporation to Php 5 Billion and the subscription of M2DC to 9,827,990,853 shares was recorded in the books of the Corporation. As of said date, the said subscribed shares of M2DC represent 67% of the total outstanding capital stock of the Corporation, more than majority control of the Corporation.

Recent Sales of Unregistered or Exempt Securities

a. Delinquent Shares Auctioned to Ecology Energy Corporation

Of the 1,462,500,000 shares subscribed in 2007 to support the capital increase of the Company in 2007 from Php 500 Million to Php2.5 Billion, 990,000,000 shares have been paid. The remaining 472,500,000 shares were declared delinquent as of June 10, 2021 and were auctioned on August 23, 2021. Only 22,500,000 shares (the "auctioned shares") were sold to three (3) winning bidders at said auction sale. The total amount of the winning bids for the auctioned shares in the amount of Php6,122,736.16 were paid on August 23, 2021. The request for confirmation of exemption from registration of these 22,500,000 shares under Section 10.1 (c) of the Securities Regulation Code, as amended, has been submitted to SEC, and the application for listing of these shares has been submitted to PSE. The 22,500,000 shares have been listed last May 23, 2023.

The remaining 450,000,000 shares, previously declared delinquent, were auctioned, and sold to Ecology Energy Corporation, the winning bidder. On October 27, 2023, the Corporation and Ecology Energy Corporation executed the Subscription Agreement for the Auctioned Shares. The Auctioned Shares were sold for Php129,982,336.67, inclusive of the subscription price at par value, as well as all accrued interest, advertisement costs, and auction expenses.

Dividend Policy

As of date, the company does not have a dividend policy. Currently, the Company is focused on identifying viable projects in order to increase shareholder value.

ITEM V - DIRECTORS AND EXECUTIVE OFFICERS

The following are the directors of the Corporation as of May 31, 2026:

<u>Name</u>	<u>Length/Period of Service</u>
Manuel Z. Gonzalez	May 12, 2021 up to the present
Oscar L. de Venecia, Jr.	1999-2006; March 30, 2007 up to the present
Luisito V. Poblete	January 2, 2023 up to the present
Beatrice Jane L. Ang	October 23, 2020 to the present

Jaime J. Martinez	October 10, 2007 up to the present
Maria Rosette Geraldine L. Oquias	May 12, 2021 up to the present
Kim S. Jacinto-Henares	May 12, 2021 up to the present
Carlos Jose P. Gatmaitan	January 01, 2026 up to the present
Alberto Emilio V. Ramos	January 1, 2025 up to the present
Josefina Patricia A. Magpale-Asirit	May 20, 2025 up to the present

Each director of the Corporation holds office for a one (1) year term beginning on the date of his election and expiring at the annual meeting of stockholders next after his election and until his successor shall have been elected and qualified.

NOMINATION OF DIRECTORS AND INDEPENDENT DIRECTORS

The process for the nomination and election of directors are attached as Annex D hereof.

The Board of Directors of the Corporation, upon endorsement of the Nominating Committee composed of Atty. Manuel Z. Gonzalez, as Chairman, with Mr. Oscar L. De Venecia, Jr., Mr. Jaime J. Martinez, Mr. Luisito V. Poblete, and Ms. Kim S. Jacinto-Henares (independent director) as members, has approved the nomination of the following as directors for election at the annual meeting of stockholders:

- Manuel Z. Gonzalez (incumbent director)
- Oscar L. de Venecia, Jr. (incumbent director)
- Luisito V. Poblete (incumbent director)
- Beatrice Jane L. Ang (incumbent director)
- Jaime J. Martinez (incumbent director)
- Maria Rosette Geraldine L. Oquias (incumbent director)
- Kim S. Jacinto-Henares (incumbent independent director)
- Carlos Jose P. Gatmaitan (incumbent independent director)
- Frank Lloyd C. Gonzaga (prospective director)
- Alberto Emilio V. Ramos (incumbent director)
- Josefina Patricia A. Magpale-Asirit (incumbent independent director)

From the above nominees, the following were nominated as Independent Directors:

- Kim S. Jacinto-Henares (incumbent independent director)
- Carlos Jose P. Gatmaitan (incumbent independent director)
- Josefina Patricia A. Magpale-Asirit (incumbent independent director)

The Nominating Committee has determined that all the nominees possess all the qualifications and have none of the disqualifications for directorship as prescribed in the Corporation's By-Laws and Manual of Corporate Governance. None of the directors and officers of the Corporation are connected with any government instrumentality, agency or office.

For the purpose of electing the independent directors, the Nominating Committee adopted the independence criteria set out in the Corporation's Manual of Corporate Governance, Section 38 of the Securities Regulation Code and the Code of Corporate Governance for Publicly Listed Companies. The independent directors-nominees, namely: Josefina Patricia A. Magpale-Asirit, Kim S. Jacinto-Henares, and Carlos Jose P. Gatmaitan, are likewise Independent Directors of the subsidiaries of the Corporation and are not officers or employees of the Corporation nor any of its subsidiaries, and are free from any business or other relationship with the Corporation which could or could reasonably be perceived to materially interfere with the exercise of their independent judgments in carrying out their responsibilities as independent directors.

The nominees for election as independent directors of the Board of Directors were nominated, as follows:

<u>Nominee</u>	<u>Nominating Party</u>	<u>Relationship</u>
Kim S. Jacinto-Henares	Map 2000 Development Corporation	none
Josefina Patricia A. Magpale-Asirit	Map 2000 Development Corporation	none
Carlos Jose P. Gatmaitan	Map 2000 Development Corporation	none

None of the above directors declined to stand for election to the Board of Directors because of any disagreement with the Corporation or any matter relating to the Corporation's operations, policies or practices.

Board Committees

The present members of the Audit Committee, which reviews the audit plans, reports and findings of the internal and external auditors of the Corporation, among others, are:

Kim S. Jacinto-Henares (Independent Director)	-	Chairman
Josefina Patricia M. Asirit (Independent Director)	-	Member
Carlos Jose P. Gatmaitan (Independent Director)	-	Member
Jaime J. Martinez	-	Member
Maria Rosette Geraldine L. Oquias	-	Member

The present members of the Risk Committee, which is in charge of identifying the risks involved in all project and investment proposals, assessing its impact on the Corporation and adopting policies for the management of these risks, are:

Josefina Patricia M. Asirit (Independent Director)	-	Chairman
Kim S. Jacinto-Henares (Independent Director)	-	Member
Carlos Jose P. Gatmaitan (Independent Director)	-	Member
Manuel Z. Gonzalez	-	Member
Maria Rosette Geraldine L. Oquias	-	Member

The present members of the Corporate Governance Committee, which is responsible for maintaining and ensuring good governance of the Corporation, are:

Carlos Jose P. Gatmaitan (Independent Director)	-	Chairman
Kim S. Jacinto-Henares (Independent Director)	-	Member
Beatrice Jane L. Ang	-	Member
Manuel Z. Gonzalez	-	Member
Josefina Patricia M. Asirit (Independent Director)	-	Member

The present members of the Related Party Transaction Committee, which reviews compliance of the Corporation's related party transaction rules and policies and likewise PSE/SEC rules on the these transactions, are:

Kim S. Jacinto -Henares (Independent Director)	-	Chairman
Alberto Emilio V. Ramos	-	Member
Carlos Jose P. Gatmaitan (Independent Director)	-	Member
Jaime J. Martinez	-	Member
Josefina Patricia M. Asirit (Independent Director)	-	Member

The present members of the Nominating Committee, which reviews the qualifications of nominees to the Board of Directors and the key officers of the Corporation, are:

Manuel Z. Gonzalez	-	Chairman
Oscar L. de Venecia, Jr.	-	Member
Jaime J. Martinez	-	Member
Luisito V. Poblete	-	Member
Kim S. Jacinto-Henares (Independent Director)	-	Member

The present members of the Compensation and Remuneration Committee, which reviews the compensation and remuneration for directors and key executive officers, are:

Alberto Emilio V. Ramos	-	Chairman
Maria Rosette Geraldine L. Oquias	-	Member
Carlos Jose P. Gatmaitan (Independent Director)	-	Member
Josefina Patricia M. Asirit (Independent Director)	-	Member
Jaime J. Martinez	-	Member

The following are the officers of the Corporation as of May 31, 2026:

Oscar L. de Venecia, Jr.	Chief Executive Officer
Luisito V. Poblete	President & Chief Operating Officer
Alain S. Pangan	Vice President for Finance & Treasurer
Darius A. Marasigan	Business Development and Risk
Gwyneth S. Ong	Corporate Secretary
Janice L. Co	Assistant Corporate Secretary
Dominique P. Pascua	Compliance Officer

BACKGROUND INFORMATION

The following are the names, ages, positions and length of service in the Corporation of the nominees for election as directors for 2025-2026, and present key officers of the Corporation, trainings and seminars and continuing education, and their business representations and experiences for the last five (5) years.

DIRECTORS

Manuel Z. Gonzalez, 60 years old, Filipino, is the Vice Chairman of the Board of Basic Energy Corporation. He was elected as director of the Corporation on May 12, 2021 and holds that position up to the present. He is a Senior Partner in Martinez Vergara & Gonzalez Sociedad since 2006 up to the present. Prior to co-founding MVGS Law, Atty. Gonzalez was a partner with the Picazo Buyco Tan Fider & Santos Law Office. Atty. Gonzalez has been involved in corporate practice for over 20 years and has extensive experience and has been recognized by "The Legal 500" for his practice in the areas of capital markets, energy, mergers & acquisitions and banking and finance. Atty. Gonzalez currently serves as Director and Corporate Secretary to many corporations including companies in the Century Pacific Group since 1995, Nomura Holdings Philippines since 2006 and ADP (Philippines) Inc. since 2010. Atty. Gonzalez graduated cum laude with a Bachelor of Arts degree in Political Science and Economics from New York University and received a Bachelor of Laws from the University of the Philippines, College of Law.

Oscar L. De Venecia Jr., 58 years old, Filipino, is a director and the President and CEO of the Corporation. He was the Executive Vice President & COO of the Corporation since April 04, 2007 and was appointed as President & CEO of the Corporation in August 2011. He has served the Corporation in various executive positions, namely, as SVP and COO from June, 1997 up to June 2001 and was the President and CEO from December 2002 up to November 2005. He is the President of Basic Geothermal Energy Corporation, Basic Renewables, Inc. and Basic Biofuels Corporation, and Basic Diversified Industrial Holdings, Inc., the Chairman and President of iBasic, Inc., director of Basic Consolidated International, Inc. and President of Southwest Resources, Inc.

He was the President of Forum Energy Philippines, Inc. from November 2005 to April 2007, Chairman and CEO of Blue Bamboo Solutions, Inc. from September 2002 to December 2005, a Consultant for Strategic Alliance Development Corporation from March 2002 and moved as Business Development Manager of Stradcom Corporation from May to November 2002. He was the President of the Rotary Club of Makati East for the Rotary Year 2010-2011 and is a member of the Management Association of the Philippines. He was appointed Honorary Vice Consul of the Consulate of Ukraine in the Philippines covering the Clark-Subic Economic Zone on February 18, 2011.

He obtained his degree in Bachelor of Arts in Economics from Fordham University, New York City, in 1996.

Luisito V. Poblete, 67 years old, Filipino, is the Director, President and Chief Operating Officer. He started doing general management consultancy work from 2018 and continues to do so up to the present. From 2016 to 2017, he was the President & Managing Director for Total (Philippines) Corporation and previous to that stint, he was the Vice President for Operations and HSEQ from 2013 to 2016 and the Vice President for Operations from 2002-2007. He was also assigned as Health, Safety and Environmental Manager from 2007 to 2009 and as Vice President for HSEQ and Technical from 2009 to 2013 at Total Oil Asia Pacific (Singapore Regional Office).

Prior to his work at Total (Philippines) Corporation, he worked with Pilipinas Shell Petroleum Corporation from 1980 to 1997, handling various operations and engineering positions at the Pandacan installation of the said company.

He earned the degree of Bachelor of Science in Mechanical Engineering from the Mapua Institute of Technology and placed Eighth in the PRC Board of Examination for Mechanical Engineers in 1982.

Beatrice Jane L. Ang, 43 years old, Filipino, is a director of Basic Energy Corporation since October, 2020 up to the present. She is presently a Director and Corporate Secretary of Quindecim Holdings, Inc., a venture providing for healthcare and related services, a position she held since 2017, and the Managing Director and Treasurer of BA Securities, Inc., from 2003 up to the present. She is also the Managing Director of CLMC Group of Companies, which is into manufacturing, import and export of telecommunication facilities, software development, information technology and real estate, among others, from 2003 up to the present. Her international diplomatic experience consists of her being presently the Honorary Consul Designate of the Honorary Consulate of Ukraine and the Special Assistant to the Consul of the Honorary Consulate of Tanzania. She was the Special Assistant to the Consul General of the Honorary Consulate of Peru from 2007 to 2010. Her socio-civic work experience includes being the Administrator of the Buddhist Tzu Chi Medical Foundation Philippines, Inc., since 2019 to the present and the Commissioner of the Tzu Chi Buddhist Compassion Relief Foundation from 1995 to the present. She is an active volunteer in Sagip Bayan Foundation, Inc. since 2006 to the present and has more than 20 years of social leadership experience in various institutions such as the Red Cross, UNICEF, Habitat for Humanity, and other NGOs.

She obtained her Bachelor of Science in Biology degree from the University of the Philippines in 2004, a Doctor of Medicine degree in 2011 from St. Luke College of Medicine and a Master of Business

Administration in General Management in 2014 from the Northwestern University and Hongkong University of Science & Technology.

Kim S. Jacinto-Henares, 65 years old, Filipino, is an Independent Director of Basic Energy Corporation from May 12, 2021 to the present. She is currently a Director of Reg Tek, Inc. and serves as Senior International Advisor/Consultant to various groups and projects, like Albright Stonebridge Group. She is a Board Member of the Tribute Foundation for International Tax Dispute Resolution (The Hague, Netherlands) and a Commissioner of the Independent Commission for Reform of International Corporate Taxation. She served as a Member of the United Nations Economic & Social Commission for Asia and Pacific (Eminent Expert Group on Tax Policy and Public Expenditure Management, Bangkok, Thailand) and UN Committee on Experts on International Cooperation in Tax Matters (Geneva, Switzerland). She was appointed Commissioner of the Bureau of Internal Revenue and held office from 2010 to 2016, after being a Deputy Commissioner for the Special Concerns Group of the Bureau from 2003 to 2005. Prior to BIR, she served as Governor of the Board of Investment. She was Vice Chairperson of the Ad Hoc Group for Action 15 (Multilateral Instrument to Implement Tax Treaty Related Measures to Tackle Base Erosion Action Plan (BEPS) (Paris, France). She used to be connected also with ING Bank N.V. Manila Branch as its Vice President and as Deputy to the Vice Chairman of Security Banking Corporation. She was employed by Romulo, Mabanta, Buenaventura, Sayoc & Delos Angeles Law Office as Senior Associate and by Sycip, Gorres, Velayo & Co. as Tax Lawyer. Early in her career, she was General Manager of St. J. Square Marketing Corporation. She was also an Accounting Lecturer in De La Salle University, Manila.

She obtained her degree in Bachelor of Science in Commerce major in Accounting at De La Salle University Manila, and her Bachelor of Laws at the Ateneo de Manila University, consistently with flying colors. She further studied and obtained her degree in Master of Laws, major in International and Comparative Law at the Georgetown University (Washington DC, USA). She also attended the University of New Brunswick (Fredericton, New Brunswick, Canada), McGill University, Faculty of Law (Montreal, Quebec, Canada) and University of Toronto. Faculty of Law (Toronto, Ontario, Canada) as Fulfillment of the Requirement of the Joint Accreditation Committee. Finally, she obtained her Postgraduate Diploma in International Dispute Resolution at the Queen Mary University of London.

Having served the government as an accountant and lawyer, she was a recipient of the Lingkod Bayan Award by the Civil Service Commission and Order of Lakandula (Bayani).

Alberto Emilio V. Ramos is a highly experienced professional in the banking and financial sector with over 40 years of expertise. He served as President of Malayan Savings Bank from 2020 up to March 2024.

Prior to Malayan Savings Bank, Mr. Ramos served as an Executive Vice President at China Banking Corporation (“CBC”) from 2006 to 2019. Concurrently, he held various executive positions for several subsidiaries of CBC. Before his stint at CBC, he was the President of AIG – PhilAm Asset Management Inc. from 2004 to 2006 and was a Vice President at the Bank of Philippine Islands from 1993 to 1994.

He also held significant roles in other banks, including Western State Bank and Tokai Bank in California, USA.

He holds a Bachelor of Arts and Commerce from De La Salle University (DLSU), a Master in Business Management from Asian Institute of Management (AIM) and a Certificate in General Management from University of California, Los Angeles (UCLA).

Jaime J. Martirez, 71 years old, Filipino, is a director of the Corporation and its subsidiaries since October 2007. He is the President & CEO of Unicapital Finance and Investments, Inc., Managing

Director and Treasurer of Unicapital, Inc., Treasurer and Director of Unicapital Securities, Inc., Chairman, and President & CEO of Unoventure, Inc., a PEZA registered enterprise facilities provider. He is the Chairman of the Executive Committee of the Unicapital Group of Companies. He is a director in Majalco, Inc., a diversified holding corporation, in Malayan Savings Bank and in MJ Holdings, Inc., a real estate company engaged in commercial property development in the Makati Central Business District. He is a past director of the Philippine Finance Association, a member of the Makati Business Club and the European Chamber of Commerce (ECCP). He has acquired and developed professional expertise in the field of Investment Banking for the last 41 years, since 1976.

He obtained his degree in Bachelor of Science in Management from De La Salle University in 1975 and completed the academic units for a Master's degree in Business Administration from the Ateneo Graduate School of Business in 1979.

Ma. Rosette Geraldine L. Oquias, 58 years old, Filipino and is a director of Basic Energy Corporation since May 12, 2021. She is presently the Vice President for Corporate Affairs and Chief Finance Officer of the FilOil Logistics Corporation, a position she held since 2016. Previous to this assignment, she was Financial Consultant to FilOil Energy Company, Inc. from 2015-2016.

She previously worked with the Equis Funds Group as Business Partner to the CEO and Divisional Presidents and as Financial and Operations Manager/ Team Manager, from 2014 to 2015. She worked with MDI Systems for almost 11 years, handling Integration/Microwarehouse/Wolfpac and Microserve, and was Chief Financial Officer for Biogstar Philippines. She was also the Chief Finance Officer for 2 years in Pillsbury Philippines, Inc., and the AVP-Comptroller for Empire East Properties, Inc. for 2 years. Her prior work experiences include her work as Financial Controller at Pepsi-Cola Products Philippines Inc., as Manager for Budget Financial Planning at Fil Pacific Apparel Corporation and as Auditor at the audit firm, Carlos Valdes & Co.

She graduated with a BSBA degree from the Miriam College Foundation and studied at the Graduate School of Business and Economics of De La Salle University. She is currently a candidate for certification as Chartered Financial Analyst .

Carlos Jose P. Gatmaitan, 60 years old, Filipino, is an Independent Director of Basic Energy Corporation from January 1, 2026, up to the present. He is a faculty member of the Ateneo Graduate School of Business since 2017 where he is a member of the Strategy Management Department featuring the capstone course of the Ateneo Graduate School of Business MBA Program. He is also currently the Chief Executive Officer of the Institute of Corporate Directors since 2021 where he headed the country's premiere governance institute towards empowering boards and executive leaders through world-class governance strategic guidance. He is also currently an independent director of the following: (1) Vismotor Corporation since 2023, acting as the Chairman of the Audit and Risk Committee; (2) Life Savings Bank since 2016, acting as the Chairman of the Audit Committee; and (3) Solar Philippines Nueva Ecija since 2024 acting as the Chairman of the Corporate Governance Committee and a member of the Audit Committee.

From 2020 to 2021, he was the Assistant Dean and Faculty member of the Graduate School teaching Strategic Management, Principles of Management, Marketing Management, Managerial Economics, Global Business Management and Corporate Governance of the University of Perpetual Help. From 2017 to 2018, he was also the Chairman of MRC Allied, Inc., a listed company in The Philippine Stock Exchange, Inc. where he provided overall direction, policy-making, and guidance towards transforming the holding company's assets and subsidiaries into higher value independent units, focusing on the development of renewable energy, mining claims, and land holdings.

He was also the President and Chief Executive Officer of Philippine National Oil Corporation (PNOC) Renewables Corporation, a government-owned and controlled corporation and a fully-owned subsidiary of PNOC from 2012 to 2016. He completed thirteen (13) solar and hydro projects including

installations in Philippine Heart Center, Dept. of Science and Technology (DOST), Dept. of Environmental and Natural Resources (DENR), Philippine Coconut Authority (PCA), Commission on Audit (COA), Bangko Sentral ng Pilipinas (BSP), University of the Philippines (U.P.), Philippine International Convention Center (PICC) and the National Irrigation Administration (NIA). He also represented PNOG Renewables Corporation in partnership meetings for its 10% stake in the P3.3B development of the 20MW Maibarara Geothermal plant as well as an additional 12MW expansion with a budget of P1.3B. He was awarded over ten renewable energy service contracts exceeding 250 Megawatts within the first year of appointment in the Department of Energy, leading to potential profits at the highest levels in the history of the company.

Josefina Patricia A. Magpale-Asirit, 59 years old, Filipino, is an Independent Director of the Corporation, with her term commencing in May 2025. She has extensive experience in the energy sector, spanning both the public and private spheres.

Her professional background includes serving as a Consultant in the Office of Rafael T. Tulfo, and as Chairperson of the Senate Committee on Energy and the Joint Congressional Energy Commission from July 2022 to June 2024. She also served as Chief of Staff of the Department of Energy from July 2010 to October 2012. In the private sector, she was engaged as a Resource Person for CSi Energy Solutions International from August 2025 to February 2026, and as Senior Advisor for the OEP-ERM Philippine Offshore Wind Workforce Assessment from October 2025 to March 2026.

At present, she serves as a Consultant for Green Tiger Market Advisory Council. She is likewise a Lecturer and Speaker at the National Electrification Administration, where she conducts orientations for newly elected members of the boards of directors of electric cooperatives on matters relating to the electric power industry. In addition, she currently serves as an Independent Director of Vivant Energy Corporation and Future Energy Storage & System Integration Alliance.

She was admitted to the Philippine Bar in April 1995. She holds a Juris Doctor degree and a Bachelor of Arts in Political Science degree, both from the University of the Philippines, where she graduated cum laude.

Frank Lloyd C. Gonzaga, 50 years old, Filipino, is a nominee for the position of Regular Director of Basic Energy Corporation. He is currently a special lecturer in the Polytechnic University of the Philippines who discusses issues on International Political Economy.

From January 2020 to August 2022, he was the General Manager of 8990 Holdings, Inc. From February 2007 to November 2020, he was the Assistant Manager of Banco De Oro Universal Bank. From December 2022 to October 2023, he was a Consultant for New Cross Credit and Financing Gate, Ph. From April 2023 to December 2023, he was also a Consultant for Power Source Philippines, Inc.

In the public sector, he served as a Director IV in the Department of Human Settlements and Urban Development (DHSUD) from October 2023 to March 2025. Afterwards, he served as an Assistant Secretary of DHSUD from March 2025 to 2026. He was also the Vice President of Innovation and Advocacy of Small Business Corporation from February 2020 to January 2021. He was also the Department Manager III of Home Guaranty Corporation from November 2010 to February 2020.

Officers

Oscar L. De Venecia Jr., 58 years old, Filipino, is a director and the President and CEO of the Corporation. He was the Executive Vice President & COO of the Corporation since April 04, 2007 and was appointed as President & CEO of the Corporation in August 2011. He has served the Corporation in various executive positions, namely, as SVP and COO from June, 1997 up to June 2001 and was the President and CEO from December 2002 up to November 2005. He is the President of Basic

Geothermal Energy Corporation, Basic Renewables, Inc. and Basic Biofuels Corporation, and Basic Diversified Industrial Holdings, Inc., the Chairman and President of iBasic, Inc., director of Basic Consolidated International, Inc. and President of Southwest Resources, Inc.

He was the President of Forum Energy Philippines, Inc. from November 2005 to April 2007, Chairman and CEO of Blue Bamboo Solutions, Inc. from September 2002 to December 2005, a Consultant for Strategic Alliance Development Corporation from March 2002 and moved as Business Development Manager of Stradcom Corporation from May to November 2002. He was the President of the Rotary Club of Makati East for the Rotary Year 2010-2011 and is a member of the Management Association of the Philippines. He was appointed Honorary Vice Consul of the Consulate of Ukraine in the Philippines covering the Clark-Subic Economic Zone on February 18, 2011.

He obtained his degree in Bachelor of Arts in Economics from Fordham University, New York City, in 1996.

Luisito V. Poblete, 67 years old, Filipino, who joined the Company as Chief Operating Officer in May 2021. He started doing general management consultancy work from 2018 and continues to do so up to the present. From 2016 to 2017, he was the President & Managing Director for Total (Philippines) Corporation and previous to that stint, he was the Vice President for Operations and HSEQ from 2013 to 2016 and the Vice President for Operations from 2002-2007. He was also assigned as Health, Safety and Environmental Manager from 2007 to 2009 and as Vice President for HSEQ and Technical from 2009 to 2013 at Total Oil Asia Pacific (Singapore Regional Office).

Prior to his work at Total (Philippines) Corporation, he worked with Pilipinas Shell Petroleum Corporation from 1980 to 1997, handling various operations and engineering positions at the Pandacan installation of the said company.

He earned the degree of Bachelor of Science in Mechanical Engineering from the Mapua Institute of Technology and placed Eighth in the PRC Board of Examination for Mechanical Engineers in 1982.

Alain S. Pangan, 47 years old, Filipino, a Certified Public Accountant, was engaged as Vice President for Finance effective January 2018. Prior to joining the Company, he was the Investment and Treasury Manager of Enfinity Asia Pacific Holdings Limited – Manila ROHQ and Enfinity Philippines Technology Services, Inc., a renewable energy company with international activities in solar and wind energy, for more than three (3) years. He has more than seven (7) years of audit, compliance, and advisory work with reputable Philippine audit/advisory firms. He obtained his Bachelor of Science degree in Accountancy from the Far Eastern University.

Darius Efren A. Marasigan, 53 years old, Filipino, is the Business Development Officer of the Corporation. He rendered consultancy services on renewable energy projects for Restored Energy Development Corporation of the Armadillo Group of Companies from August 2012 to April 2014, and for PNOC Renewables Corporation from November 2010 to August 2013. He was Senior Planning Officer at the PPP Center of the Philippines of NEDA from July 2007 to October 2010. Prior thereto, he was employed as Officer-in-Charge, Contracts & Claims Unit of the Meralco Industrial Engineering Services Corporation. He graduated from the Mapua Institute of Technology with a Bachelor of Science degree in Electrical Engineering, in 1994.

Gwyneth S. Ong, 49 years old, Filipino, is the Corporate Secretary of the Corporation and was appointed on February 28, 2023. She is a Partner at Martinez Vergara & Gonzalez Sociedad from 2015 up to the present, with extensive experience in a broad range of securities and capital market transactions. She graduated with a Bachelor of Science degree in Management major in Legal Management from the Ateneo de Manila University and a Bachelor of Laws degree from the University of the Philippines.

Janice L. Co, 42 years old, Filipino, is the is the Assistant Corporate Secretary of the Corporation and was appointed on February 28, 2023. She is a partner at Martinez Vergara & Gonzalez Sociedad from 2021 up to the present. She earned her Bachelor's degree in Political Science from the Ateneo de Manila University and has a Juris Doctor degree from the Ateneo de Manila University School of Law. She was admitted to the Philippine Bar in 2009.

Dominique P. Pascua, 40 years old, Filipino, is the Compliance Officer of the Corporation starting July 29, 2021. He is a Junior Partner at the Peralta Jimenez San Luis Uy Ulibas & Guinigundo (Peralta Jimenez Law Office); prior to his appointment as the Company's Compliance Officer, he served as the Legal Manager for Filoil Logistics Corporation from 2016 to 2020. He has also been serving the Filoil group of companies for more than seven years as its Assistant Legal Counsel.

He obtained his degree in Bachelor of Arts, major in Consular and Diplomatic Affairs, from the De La Salle College of Saint Benilde in 2004 and his degree in Bachelor of Laws from Far Eastern University in 2010.

SIGNIFICANT EMPLOYEES

The key officers of the Corporation who are expected to make a significant contribution to the business of the Corporation consist of the above-named directors holding executive positions and corporate officers. Other than the foregoing, there are no other employee whose functions are expected to make a significant contribution to the business.

FAMILY RELATIONSHIPS

There are no family relationships within the fourth civil degree known to the Corporation among the directors, nominees and executive officers of the Corporation.

INVOLVEMENT IN ANY LEGAL PROCEEDINGS

The Corporation is not aware of any bankruptcy proceedings filed against any of its directors or executive officers, nor of any criminal conviction or final judgment barring or limiting any business involvement or any order or judgment subjecting said directors or executive officers, or a violation of a securities or commodities law or regulation filed against any of its directors or executive officers, during the past five (5) years ending June 30, 2025.

ITEM VI – COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

A. Per Diems of Directors

The Directors of the Corporation do not receive compensation from the Corporation, except for per diems for attendance at Board and Committee Meetings fixed at Php 22,200.00 and Php 11,100.00 per attendance, respectively, for 2026 to 2024.

The following table shows the amount in of per diems in Php, received by the incumbent directors for the first half of 2026, and for the full years of 2025 and 2024. In January 2026, a new director was elected, namely: Director Carlos Jose P. Gatmaitan, replacing the director who had vacated their position.

NAME OF DIRECTORS	BOARD MEETINGS	COMMITTEE MEETINGS	TOTAL PER DIEM RECEIVED
JANUARY TO MAY 2026			
KIM S. JACINTO-HENARES	225,000.00	22,200.00	247,200.00
MANUEL ANTONIO Z. GONZALEZ	44,400.00		44,400.00
OSCAR L. DE VENECIA JR.	66,600.00	11,100.00	77,700.00
BEATRICE JANE L. ANG	66,600.00		66,600.00
ALBERTO EMILIO V. RAMOS	66,600.00		66,600.00
JAIME J. MARTIREZ	66,600.00	22,200.00	88,800.00
MARIA ROSETTE GERALDINE L. OQUIAS	66,600.00	11,100.00	77,700.00
CARLOS JOSE P. GATMAITAN	66,600.00	11,100.00	77,700.00
LUISITO V. POBLETE	44,400.00	11,100.00	55,500.00
JOSEFINA PATRICIA A. MAGPALE-ASIRIT	66,600.00	11,100.00	77,700.00
TOTAL PER DIEM OF THE ABOVE DIRECTORS FOR THE PERIOD	780,000.00	99,900.00	879,900.00
2025			
KIM S. JACINTO-HENARES	543,567.85	118,532.13	644,067.84
MANUEL ANTONIO Z. GONZALEZ	177,600.00	22,200.00	199,800.00
OSCAR L. DE VENECIA JR.	199,800.00	22,200.00	222,000.00
BEATRICE JANE L. ANG	199,800.00		199,800.00
ALBERTO EMILIO V. RAMOS	199,800.00	11,100.00	210,900.00
JAIME J. MARTIREZ	199,800.00	66,600.00	266,400.00
MARIA ROSETTE GERALDINE L. OQUIAS	199,800.00	55,500.00	255,300.00
ANDRES B. REYES JR	111,000.00	33,300.00	144,300.00
OSCAR S. REYES	44,400.00		44,400.00
LUISITO V. POBLETE	177,600.00	22,200.00	199,800.00
GIL AZANZA BUENAVENTURA	22,200.00		22,200.00
TOTAL PER DIEM OF THE ABOVE DIRECTORS FOR THE PERIOD	2,541,567.85	362,732.13	2,904,299.98
2024			
KIM S. JACINTO-HENARES	111,000.00	44,400.00	155,400.00
MANUEL ANTONIO Z. GONZALEZ	111,000.00	22,200.00	133,200.00
OSCAR L. DE VENECIA JR.	111,000.00	11,100.00	122,100.00
BEATRICE JANE L. ANG	111,000.00		111,000.00
RAMON L. MAPA	111,000.00		111,000.00
JAIME J. MARTIREZ	111,000.00	44,400.00	155,400.00
MARIA ROSETTE GERALDINE L. OQUIAS	111,000.00	22,200.00	133,200.00
ANDRES B. REYES JR	111,000.00	22,200.00	133,200.00
OSCAR S. REYES	88,800.00		88,800.00
LUISITO V. POBLETE	111,000.00		111,000.00
GIL AZANZA BUENAVENTURA	111,000.00	33,300.00	144,300.00
TOTAL PER DIEM OF THE ABOVE DIRECTORS FOR THE PERIOD	1,198,800.00	199,800.00	1,398,600.00

B. Compensation of Officers

NAME/POSITION	FISCAL YEAR	SALARIES	BONUSES	OTHER COMPENSATION
Oscar L. de Venecia, Jr. CEO				
Luisito V. Poblete President and COO.				
Alain S. Pangan Vice President-Finance				
Total	2026	Php14,339,220 (estimated)	Php2,309,480 (estimated)	Php297,600 (estimated)
	2025	Php14,339,017	Php2,308,320	Php467,600
	2024	Php13,376,924	Php2,145,702	Php70,780
All Other Officers as a Group Unnamed	2026	Php3,840,000 (estimated)	Php640,000 (estimated)	
	2025	Php2,943,908	480,000	
	2024	Php2,872,830	181,598	

ITEM VII. INDEPENDENT AUDITORS

Reyes Tacandong & Co. (RT & Co) was the Corporation's independent auditors for the year 2025. Representatives of RT & Co. will be present during the annual meeting of stockholders and will be given the opportunity to make a statement if they so desire. They are also expected to respond to appropriate questions from stockholders, should there be any.

Audit services of RT & Co for the fiscal year ended December 31, 2025 included the examination of in the preparation of the Corporation's final income tax returns and other services related to filing of reports made with the Securities and Exchange Commission and the Bureau of Internal Revenue.

The audit fees of the external auditor was Php2,000,000.00 for 2025, Php1,755,000.00 for 2024 and Php1,650,000.00 for 2023. The audit fees for 2025 were partially paid as of June 01, 2026. The audit fees for 2024 were fully paid as of June 30, 2025, while the audit fees for 2023 were fully paid as of June 30, 2024.

There was no event in the past five (5) years where the external auditor and the Corporation had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedures.

In compliance with SRC Rule 68, paragraph 3(b)(iv) (Rotation of External Auditors), Joseph C. Bilangbilin, of RT & Co. was assigned as partner-in-charge beginning with the 2020 audited financial statements.

ITEM VIII - COMPENSATION PLANS

There are no plans, under which cash or non-cash compensation may be paid or distributed to directors and officers of the Corporation, which will be taken up at the annual meeting of stockholders.

C. ISSUANCE AND EXCHANGE OF SECURITIES

ITEM IX - AUTHORIZATION OR ISSUANCE OF SECURITIES OTHER THAN FOR EXCHANGE

On May 7, 2019, the Board of Directors approved the increase in the Corporation's authorized capital stock from Php2.5 Billion consisting of 10 Billion shares to Php5.0 Billion consisting of 20 Billion shares. The increase in the Corporation's authorized capital stock to Php 5 Billion was approved by the stockholders in the annual meeting held on October 23, 2020 and was approved by the Securities and Exchange Commission on September 10, 2021. Pursuant to such increase, the Company issued 9,827,990,853 shares to Map 2000 Development Corporation.

The issuance of the said 9,827,990,853 shares to Map 2000 Development Corporation was confirmed by the stockholders at the 2021 annual stockholders meeting.

ITEM X - MODIFICATION OR EXCHANGE OF SECURITIES

There is no modification or exchange of securities which will be submitted for approval of stockholders at the 2025 annual stockholders meeting.

ITEM XI – FINANCIAL AND OTHER INFORMATION

(a) 2025 Consolidated Audited Financial Statements

The 2025 consolidated financial statements of the Corporation were audited by the Corporation's external auditors:

Reyes Tacandong & Co.
Mailing address : BDO Towers Valero (formerly Citibank Towers)
8741 Paseo De Roxas, Makati City
Certifying Partner : Joseph C. Bilangbilin
CPA Certificate No. : 102884
SEC Accreditation No : SEC Registration No. PP201007009
BOA/PRC Accreditation No. 4782
TIN : 210-181-965-000
BIR Accreditation: 08-005144-011-2023 Valid until January 24,2026
PTR No. 10467122 Issued January 2,2025, Makati City
BOA Accreditation: 4782; valid until June 6, 2026

(b) Changes in and disagreements with accountants on accounting and financial disclosures

There has been no event in the past three (3) years where the External Auditors and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedures.

There were no disagreements with the Company's external auditors on any accounting and financial disclosures in the 2025 Audited Financial Statements of the Company.

The accounting policies adopted are consistent with those of the previous year, except for the adoption of amendments to PFRS Accounting Standards effective January 1, 2025. The adoption of the amendments to PFRS Accounting Standards did not materially affect the consolidated financial statements of the Group.

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2025 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective January 1, 2026 –

- Annual Improvements to PFRS Accounting Standards Volume 11:
 - Amendments to PFRS 7, Financial Instruments: Disclosures – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.
 - Amendments to PAS 7, Statement of Cash Flows – The amendments clarify that when accounting for an investment in an associate, a joint venture or a subsidiary accounted for by use of the equity or at cost, an investor restricts its reporting in the statements of cash flows to the cash flows between itself and the investee, such as dividends and advances.
 - Amendments to PFRS 9, Financial Instruments – Transaction Price and Lessee Derecognition of Lease Liabilities – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments also replace the reference to ‘transaction price as defined by PFRS 15, Revenue from Contracts with Customers’ to ‘the amount determined by applying PFRS 15’ to remove potential confusion. Earlier application is permitted.

Effective January 1, 2027 -

- PFRS 18, Presentation and Disclosure in Financial Statements – This standard replaces PAS 1, Presentation of Financial Statements, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity’s assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under the prevailing circumstances, the adoption of the new and amended PFRS Accounting Standards is not expected to have a material impact on the Group’s consolidated financial statements, except for PFRS 18. The Group is currently evaluating the potential effects of PFRS 18 on the presentation and disclosure of the consolidated financial statements, including the structure of the consolidated statements of comprehensive income. Additional disclosures will be provided in the consolidated financial statements, as applicable.

(c) Participation of Representatives of External Auditors

Representatives of Reyes Tacandong & Co., which audited the aforementioned financial statements of the Corporation, (i) are expected to be present at the annual meeting of stockholders (ii) will have the opportunity to make a statement if they desire to do so; and (iii) are expected to be available to respond to appropriate questions from stockholders during said meeting.

(d) Incorporation by Reference

The following documents are incorporated herein by reference and are attachments to this Information Statement:

- (1) Notice of Annual Stockholders Meeting and Proxy Form;
- (2) 2025 Management Report;

- (3) Statement of Management's Responsibility for the 2025 Consolidated Audited Financial Statements of the Corporation;
- (4) Consolidated Audited Financial Statements of the Corporation as of December 31, 2025;
- (5) SEC Form 17-A 2025 Annual Report; and
- (6) SEC Form 17-Q -covering the Interim Unaudited Financial Statements for the 1st Quarter of 2026.

ITEM XII - MERGER, CONSOLIDATION, ACQUISITION & SIMILAR MATTERS

There are no actions to be taken up at the annual meeting of stockholders which will involve the merger or consolidation of the Corporation with another entity or acquisition by the Corporation of any other going business or the assets thereof.

ITEM XIII – ACQUISITION/DISPOSITION OF PROPERTY

There are no actions to be taken up at the annual meeting of stockholders which will involve the acquisition or disposition of property, whether real or personal, of the Corporation.

ITEM XIV - RESTATEMENT OF ACCOUNTS

There are no actions to be taken up at the annual meeting of stockholders which will involve the restatement of any asset, capital or surplus account of the Corporation.

D. OTHER MATTERS

ITEM XV – ACTION WITH RESPECT TO REPORTS

The following actions on reports of the Corporation shall be submitted at the annual meeting of stockholders:

- (a) Approval of the Minutes of the 2025 Annual Stockholders' Meeting held on July 23, 2025, summarized below;
- (b) Approval of the 2025 Annual Report which shall be preceded by the material information on the current top three (3) stockholders of the Corporation and the voting rights of stockholders, and shall consist of a detailed description and assessment of the performance of the Corporation in 2025 and the plan for operations for 2026-2027;
- (c) Notation of the Consolidated Audited Financial Statements (CAFS) for the year ending December 31, 2025, which shall include the financial highlights and details of the said CAFS, a statement of the adequacy of internal controls and risk management systems, statement of external audit and non-audit fees, if any; the dividend policy and in case of non-payment of dividends, the reasons therefor;
- (d) Ratification of all acts of the Board of Directors and Management for the period covering the term 2025-June 2026, a summary of which is attached as Annex B hereof;
- (e) Election of the Members of the Board of Directors including Independent Directors for the ensuing year;
- (f) Appointment of External Auditors for 2026.

Summary of the minutes of the 2025 Annual Meeting held on July 23, 2025

1.Call to Order, Proof of the Required Notice of Meeting and Determination of Existence of Quorum

The Corporate Secretary advised the body that the following members of the Board of Directors and the Advisory Board and key officers of the Corporation, guests and stockholders are present at the meeting:

Board of Directors

Manuel Z. Gonzalez	Luisito V. Poblete
Oscar L. de Venecia, Jr.	Oscar S. Reyes
Beatrice Jane L. Ang	Ramon L. Mapa
Jaime J. Martinez	Ma. Rosette Geraldine L. Oquias
Kim S. Jacinto-Henares	Andres B. Reyes, Jr.
Alberto Emilio V. Ramos	Josefina Patricia A. Magpale-Asirit

Advisory Board:

Reynaldo T. Casas
Ramon L. Mapa

Officers:

Alain S. Pangan	- VP-Finance/Treasurer
Dominique P. Pascua	- Compliance Officer
Darius A. Marasigan	- Business and Risk Development Officer
Gwyneth S. Ong	- Corporate Secretary

Stockholders:

Total Shares Issued and Outstanding	14,668,643,064
Total Number of Shares Represented	10,358,177,542
Percentage of Attendance	70.6144%

The Chairman called the 2025 Annual Stockholder’s Meeting of Basic Energy Corporation to order.

Thereafter, the Corporate Secretary certified that pursuant to the SEC Notice dated March 13 2023, notices for the 2025 Annual Stockholders’ Meeting of the Corporation were published in two newspapers of general circulation namely, Business World and Philippine Star for two consecutive days on July 1, 2025 and July 2,2025 and was posted in the company website. The Corporate Secretary further certified that based on the Certification issued by its Stock Transfer Agent, Philippine Stock Transfer Inc., out of the outstanding subscribed and issued shares of stock of the Corporation entitled to attend and vote at the meeting and the number of shares of the stockholders present, a total of 10,358,177,542 shares are represented in the meeting, either in person or by proxy, and these shares account for 70.6144% of the total outstanding subscribed and issued shares of the Corporation. He then certified that there is a quorum for the transaction of business in the Annual Stockholders’ Meeting.

1. Approval of the Minutes of the Previous Meeting

The Chairman proceeded with the approval of the Minutes of the 2024 Annual Stockholders' Meeting held on September 18, 2024. Since the draft of the minutes of the said meeting had been posted in the website of the Company prior to the scheduled annual stockholders meeting, a motion was submitted for the approval of the said minutes.

The Chairman then requested the Corporate Secretary to present the results of voting for the approval of the minutes:

Upon motion, which was duly seconded, and there being no objections to said motion, the Minutes of the 2024 Annual Stockholders' Meeting, were deemed approved by the affirmative vote of all the stockholders represented or present in the meeting owning a total of 10,358,177,542 shares, representing 71.6836% of the total issued and outstanding capital stock of the Company.

2. Approval of the President's Report for 2024 and the 2024 Audited Financial Statements of the Company

The Chairwoman gave the floor to the Chief Executive Officer, Mr. Oscar I. de Venecia Jr., to present his report on the Company's operations in 2024 and the programs and prospects for 2025.

A. The Financial Report

Mr. de Venecia presented the financial position of the Corporation for the year 2024. President Poblete reported the following:

1. *Consolidated Balance Sheet*

Consolidated Balance Sheet (in million pesos)			
	2024	2023	Inc.(Dec.)
Total Assets	33,248.65	29,794.66	3,453.99
Total Liabilities	25,952.68	22,266.49	3,686.18
Total Equity	7,295.97	7,528.17	(232.19)

Mr. de Venecia informed the stockholders that the total consolidated assets of the Company amounted to PHP 33.25B, comprising of PHP27.51B in current assets and PHP5.73B in noncurrent assets. Total liabilities amounted to PHP25.95B, with PHP24.96B in current liabilities and PHP988.12M in noncurrent liabilities. Stockholders' equity was PHP7.3B, including PHP3.97B attributable to the Corporation's parent company. He noted that the Corporation's current ratio of 1.10:1 and solvency ratio of 1.28:1 demonstrate the Corporation's financial stability.

2. *Consolidated Income Statement*

Consolidated Income Statement (in million pesos)			
	2024	2023	Inc.(Dec.)
Revenue	47,956.13	64,073.56	(16,117.43)
Gross Profit	1,175.70	1,583.30	(407.60)
Other Income	812.43	450.87	361.56
Expenses	2,044.31	1,920.87	123.44
Net Income (Loss)	28.64	99.59	(70.95)
Comprehensive Income (Loss)	32.41	84.41	(54.43)

Mr. de Venecia informed the stockholders that total revenues for the year reached PHP47.96B, which was driven primarily by returns from mid-stream oil interests and service income of the Corporation. Cost of sales and services amounted to PHP46.78B, yielding a gross profit of PHP1.18B. Operating expenses stood at PHP2.04B, attributable to the Corporation's investments in project development, regulatory compliance, and pre-construction activities vital to Corporation's growth. According to Mr. de Venecia, these expenses included general and administrative costs of PHP1.05B and finance costs of PHP993.38M. Mr. de Venecia further informed the stockholders that the Corporation also recognized PHP7.48M as the Corporation's share in the net income of associates and a joint venture, alongside interest income of PHP142.46M and other income of PHP662.48M. Net income for the year was PHP28.64M, with total comprehensive income amounting to PHP32.4M. According to Mr. de Venecia, these figures align with the Corporation's expectations for this early-stage expansion period.

B. The Operations Report

Mr. de Venecia then proceeded with his report on the results of the operations of the Company.

WIND ENERGY PROJECTS

1. Mabini Wind Power Project

Mr. de Venecia reported that the Mabini Wind Energy Project in Batangas has completed its wind resource assessment and permitting stages, with ongoing engineering and feasibility studies showing strong potential. The initial 50 MW phase is expected to generate approximately 199 GWh annually, enough to power around 61,400 households. The Corporation is finalizing an interconnection agreement with NGCP this quarter and targets commercial commissioning by the second half of 2028.

The project is being developed under a 50/50 joint venture with Renova, a publicly listed Japanese renewable energy company. This strategic partnership combines Renova's technical and operational expertise in large-scale assets with the Corporation's local market insight, regulatory navigation, and community engagement. Ultimately, this collaboration enhances the project's scalability and bankability while affirming international confidence in Basic Energy's platform.

2. Panay (Onshore) Wind Energy Power Project

Mr. de Venecia reported that the Panay Wind Energy Project in San Joaquin, Iloilo, is in the pre-development stage. Technical consultants have been engaged to deploy a meteorological mast supported by advanced LIDAR technology. Preliminary studies suggest an installed capacity of 155 MW to 194 MW, to be connected directly to the main grid. Additionally, the Corporation secured an Offer-of-Service from NGCP for a System Impact Study on May 11, 2025, with very positive preliminary results.

SOLAR ENERGY PROJECTS

Mr. de Venecia then proceeded to discuss the Corporation's solar energy initiatives. He reported that after years of planning, structuring, and regulatory coordination, several of the Corporation's solar power projects have transitioned into active development.

1. Mariveles Solar Power Project

Mr. de Venecia then discussed the Mariveles Solar Power Plant in Bataan, which received its DOE Certificate of Authority on March 14, 2025. This 60.5 MWp facility is designed to produce 91.85 GWh of clean energy annually, enough to power roughly 34,000 households. A major milestone was reached on July 4, 2025, when the NGCP approved the project's System Impact Study, confirming grid connection via a nearby substation. Commissioning is expected by early 2027.

2. Cadiz 1 Solar Power Project

Mr. de Venecia next covered the Cadiz 1 Solar Power Plant in Negros Occidental, currently in pre-development. Planned for a 43.41 MWp capacity, it will generate 62.38 GWh annually to power roughly 23,000 households. Following its DOE Certificate of Authority on March 24, 2025, the local and national permitting process is underway. Additionally, the NGCP issued an Offer-of-Service on May 5, 2025; the System Impact Study is progressing with positive initial feedback, and commissioning is targeted for early 2027.

3. Bolinao Solar Power Plant

Mr. de Venecia then discussed the Bolinao Solar Power Plant in Pangasinan, being developed on a company-owned 43-hectare site. The project secured its DOE Certificate of Authority on May 28, 2025. With a potential capacity of 46.993 MWp, it is projected to generate 74.187 GWh annually to power around 27,500 households. The Corporation is currently securing an NGCP Offer-of-Service for the System Impact Study, with plans to connect to the grid via an embedded system approach with PANELCO I.

OTHER RENEWABLE INITIATIVES AND INNOVATIONS

1. Iriga Geothermal Power Project

Mr. de Venecia began this section of the report with the Corporation's geothermal project in Iriga, Camarines Sur. Mr. de Venecia informed the stockholders that under this project, the Corporation holds a 20% participating interest, with DESCO Inc. operating the project under an 80% stake. According to him, the Corporation is compliant with its commitments with the DOE with all critical permits secured. Thus, preparations are in place to begin drilling the first exploratory well within the year.

2. Basic Repower E-Charging Station

Mr. de Venecia then provided updates on the Basic Repower E-Charging Station. Through its subsidiary, Basic Energy Renewables Corporation, the Corporation has entered into an exclusivity agreement with Total Philippines Corporation and is in advanced talks with a leading EV charging company to deploy stations at select Total sites. These chargers will support both private EV users and public e-vehicle fleets particularly those developed by affiliate Ecology Builders Development Corporation. Plans are also underway to expand this service to other affiliate brands and stations.

PIPELINE DEVELOPMENT AND ENERGY STORAGE

For the last part of his report, Mr. de Venecia discussed the Balayan Wind Power Project, the Pasuquin Wind Power Project, and the Corporation's BESS initiatives.

1. Balayan Wind Power Project and Pasuquin Wind Power Project

Mr. de Venecia reported that the Balayan Wind Power Project (Batangas) and the Pasuquin Wind Power Project (Ilocos Norte) secured their DOE service contracts in mid-2023. Following the DOE's recent issuance of permitting and consenting guidelines for offshore wind, the Corporation is now initiating the required regulatory processes to advance both strategic initiatives.

2. BESS Development

Mr. de Venecia reported that the Corporation is pursuing Battery Energy Storage Systems (BESS) to enhance grid stability. A feasibility study for a Luzon installation is complete, while parallel studies are ongoing for the Visayas, with the goal of developing one facility in each region.

Concluding his report, he highlighted that the Corporation has made significant progress since earlier this year when its only active development was the Mabini Wind Project. The company remains on track toward its ambitious goal of a 1-gigawatt (GW) renewable energy portfolio by 2030. Guided by its mission to build an integrated, sustainable ecosystem, this portfolio spans the entire value chain, from generation and storage to retail electricity and EV charging, to deliver clean, reliable energy nationwide.

C. Open Forum

After the presentation, the Chairwoman opened the floor to give the stockholders opportunity to ask questions or give comments regarding the financial and operations reports.

A motion was made and duly seconded to approve the CEO's report and the 2024 Consolidated Audited Financial Statements. The Chairwoman then requested the Corporate Secretary to present the results of the voting for its approval. Stockholders representing 10,358,177,542 shares (100% of the voting shares present) unanimously approved the 2024 Annual Report and Consolidated Audited Financial Statements. Having established a clear majority, the Chairwoman officially announced the approval.

3. Ratification of all Acts of the Board and Management for the term 2024-2025

The next item in the agenda was the ratification of all acts of the Board and Management for the term 2024-2025. The Chairwoman reminded the attendees that a summary of these acts was included in the Definitive Information Statement of the Company and opened the floor for questions.

With no question posed, a motion was made and duly seconded to ratify the acts of the board and management.

The Corporate Secretary presented the results of voting for the ratification of the acts of the Board and Management:

No. of Shares Present/Represented	10,358,177,542
No. of Votes Approving	10,358,177,542
No. of Votes Disapproving	0
No. of Votes Abstaining	0
Percentage Approving	100%

Accordingly, with 100% of the stockholders present or represented have voted for the ratification of all acts done by the Board and Management for the term 2024-2025. The Chairwoman officially announced the ratification of all acts of the Board and Management for the term 2024-2025.

Election of Directors

The Chairwoman proceeded to the next item on the agenda: the election of the directors for the term 2025-2026. The Chairman explained that the Corporation's Nominations Committee had pre-screened and short-listed all candidates qualified and nominated to the Board.

The nominees endorsed for director positions for the term 2025-2026 are as follows: For directors:

1. Manuel Z. Gonzalez
2. Oscar L. de Venecia, Jr.
3. Luisito V. Poblete
4. Beatrice Jane L. Ang
5. Jaime J. Martinez
6. Ma. Rosette Geraldine L. Oquias
7. Oscar S. Reyes
8. Alberto Emilio V. Ramos

For independent directors:

1. Kim S. Jacinto-Henares
2. Andres B. Reyes, Jr.
3. Josefina Patricia A. Magpale-Asirit

Upon motion, which was duly seconded, and there being no objection thereto, the Chairman dispensed with the balloting of votes for the election of the Directors of the Corporation considering that there were only 11 nominees for the 11 seats in the Board.

As directed by the Chairman, the Corporate Secretary cast all the votes of the stockholders present or represented in this meeting owning a total of 10,358,177,542 shares, representing 70.6144%% of the total issued and outstanding capital stock of the Company, in favor of the election of the aforementioned 11 nominees as directors of the Corporation for the term 2025-2026. Thereafter, the Chairman declared all the aforementioned 11 nominees as elected Directors of the Corporation for the term 2025-2026.

4. Appointment of External Auditors

The next item on the agenda was the appointment of the Company's external auditor for the year 2025.

The Chairman explained that the Company's Audit Committee had processed and pre-screened nominations for external auditor and recommended the re-appointment of Reyes Tacandong and Co. (RT & Co.) as the Company's external auditor for 2025 to 2026. The Vice President for Finance, Mr. Alain S. Pangan, presented the credentials of RT & Co.

Upon motion for the said nomination of Reyes Tacandong & Co., which was duly seconded, and there being no objection thereto, the appointment of Reyes Tacandong & Co. as the External Auditors of the Company for the financial statements for the fiscal year ending December 31, 2025, as recommended by the Audit Committee and the Board of Directors, as approved by the affirmative vote of the stockholders present or represented in this meeting owning a total of 10,358,177,542 shares, representing 70.6144% of the total issued and outstanding capital stock of the Company.

5. Adjournment

There being no other matters in the agenda, upon motion to adjourn, which was duly seconded, the Chairman adjourned the Corporation's 2025 Annual Stockholders' Meeting.

Summary of Voting Results:

Agenda Items	Votes in Favor	Votes Not in Favor	Abstentions
1. Approval of the Minutes of the last stockholders meeting held on September 18, 2024	10,358,177,542 shares, equivalent to an affirmative vote of 70.6144%	None	None
2. Approval of the 2024 Annual Report and the 2024 Consolidated Audited Financial Statements	10,358,177,542 shares, equivalent to an affirmative vote of 70.6144%	None	None
3. Ratification of Acts of Management and the Board for the term 2024-2025	10,358,177,542 shares, equivalent to an affirmative vote of 70.6144%	None	None
4. Election of 11 Directors for the term 2025-2026	10,358,177,542 shares, equivalent to an affirmative vote of 70.6144%	None	None
5. Appointment of Reyes Tacandong & Co. as the external auditor for the financial statements for the fiscal year 2024	10,358,177,542 shares, equivalent to an affirmative vote of 70.6144%	None	None

ITEM XVI - MATTERS NOT REQUIRED TO BE SUBMITTED

There are no matters to be taken up at the annual meeting of stockholders which are not required to be submitted for stockholders' vote or approval.

ITEM XVII - OTHER PROPOSED ACTIONS

There are no other proposed action for confirmation/ratification by the stockholders.

ITEM XIII - VOTING PROCEDURES

(a) VOTE REQUIRED

Motions in general require the affirmative vote of a majority of the shares of the Corporation's common stock present and/or represented and entitled to vote in the annual meeting of stockholders. The proposed amendments to the Amended By-laws of the Corporation to be taken up in the annual meeting of stockholders will require the affirmative vote of at least two thirds ($\frac{2}{3}$) of the outstanding and issued capital stock of the Corporation.

(b) ELECTION OF DIRECTORS

In the election of directors, every stockholder entitled to vote shall be allowed to accumulate his vote in accordance with the provisions of law. For this year's election, the top eleven (11) nominees with the most number of votes will be declared as the elected directors. If the number of the nominees does not exceed the number of directors to be elected, all the shares present or represented at the meeting will be cast in favor of the nominees. If the number of nominees exceeds the number of directors to be elected, voting will be done by ballot.

(c) METHOD OF COUNTING VOTES

Counting of votes will be done by the Corporate Secretary (or his authorized representatives) with the assistance of the representatives of the independent auditors and stock transfer agent of the Corporation. All votes attaching to the shares of common stock owned by stockholders whose proxies were received by the Corporation will be cast in accordance with the instructions given or authority granted under the proxies.

ATTACHMENTS

The attachments to this Information Statement consist of the Notice of Stockholders' Meeting and Proxy Form, the Corporation's 2025 Management Report, the 2025 Consolidated Audited Financial Statements of the Corporation, Statement of Management's Responsibility for the 2025 Consolidated Audited Financial Statements, SEC Form 17-Q covering the Interim Unaudited Financial Statements for the 1st Quarter of 2026.

The Corporation will provide without charge each person solicited, on the written request of any such person, a copy of the Corporation's Annual Report for 2025 (SEC Form 17-A). Such written request should be directed to the:

**Corporate Secretary
Basic Energy Corporation
GM Building, Florida St., Brgy. Wack-Wack,
Greenhills East, Mandaluyong City**

At the discretion of Management, a charge may be made for exhibits, provided the charge is limited to reasonable expenses incurred by the Corporation in furnishing the exhibits.

Copies of resolutions of the Board of Directors, since the 2025 Annual Stockholders' Meeting, are available for examination during office hours at the office of the Corporate Secretary.

PART II

SOLICITATION INFORMATION

Basic Energy Corporation will not be soliciting proxies in connection with the Annual Stockholders Meeting scheduled on July 08, 2026.

PART III
SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, and after reasonable inquiry and to the best of our knowledge and belief and on behalf of the Corporation, we certify that the information set forth in this report is true, complete and correct.

Signed on 02 June 2026 at Mandaluyong City.



OSCAR L. DE VENECIA, JR.
Chief Executive Officer



LUISITO V. POBLETE
President and Chief Operating Officer



GWYNETH S. ONG
Corporate Secretary



ALAIN S. PANGAN
Vice-President for Finance

ACTIONS TAKEN BY THE BOARD AND MANAGEMENT FOR THE TERM 2025-2026

DATE OF MEETING	TYPE OF MEETING	ACTIONS TAKEN
14 August 2025	Special Meeting	<ul style="list-style-type: none"> • Approval of the authorization to open an account with the Bank of the Philippine Islands for the Corporation's participation in the Fourth Round of the Green Energy Auction Program (GEA-4) • Approval of the authorization to apply for a Letter of Credit with any branch of Bank of the Philippine Islands to serve as a bid bond for the Corporation's participation in the Fourth Auction Round of the Green Energy Auction Program (GEA-4)
2 October 2025	Regular Meeting	Approval for the Corporation to apply for a Certificate of Authority and for a Seolar Energy Service Contract with the Energy Virtual One-Stop Shop of the Department of Energy in relation to the proposed San Carlos Power Project and approval of the appointment of Mr. Oscar de Venecia, Jr. and Mr. Luisito V. Poblete as the Corporation's authorized signatories in the Letter of Intention and all pertinent documentary requirements in connection with the said application
6 October 2025	Special Meeting	Approval of the appointment of Mr. Luisito V. Poblete as the Corporation's authorized representative to represent and negotiate with the National Commission on Indigenous Peoples in relation to the Corporation's request for the issuance of a Certificate of Non-Overlap for the Corporation's Mariveles Solar Poer Project
18 November 2025	Special Meeting	Approval of the appointment of Mr. Luisito V. Poblete as the Corporation's authorized representative to negotiate with the National Commission on Indigenous Peoples in relation to the Corporation's request for the issuance of a Certificate of Non-Overlap for the Corporation's Cadiz 1 Solar Poer Project
24 November 2025	Special Meeting	<ul style="list-style-type: none"> • Approval of the appointment of Mr. Oliver H. Villamor as the Corporation's authorized representative to claim and collect the bid bond corresponding to the Corporation's bid for the Mariveles Solar Power Project in the Green Energy Auction Round 4 (GEA4) from the Solar Energy Management Division of the Department of Energy; • Approval of the subscription of the Corporation to Ten Million One Hundred Thousand (10,100,000) common shares of stock of Basic Renewable Energy Solutions Corporation and approval of the appointment of Mr. Oscar de Venecia, Jr. and Mr. Luisito V. Poblete as the

		Corporation's authorized signatories in the corresponding subscription agreement and all pertinent documentary requirements in connection with the said subscription
3 December 2025	Special Meeting	<ul style="list-style-type: none"> • Approval of the appointment of Mr. Oscar de Venecia, Jr. and Mr. Luisito V. Poblete as the Corporation's authorized signatories in its application for its bonding requirements to Intrastrata Assurance Corporation • Approval for the constitution of a corporate guarantee in favor of the Department of Energy for the Cadiz 1 Solar Power Project in compliance with the Post-Auction Requirements under the said Department's Green Energy Auction 4 and approval of the appointment of Mr. Oscar de Venecia, Jr. and Mr. Luisito V. Poblete as the Corporation's authorized signatories in all pertinent documentary requirements in connection with the corporate guarantee
11 December 2025	Regular Meeting	Election of Mr. Carlos Jose P. Gatmaitan as Independent Director
12 March 2026	Regular Meeting	Approval for the Corporation's for a Certificate of Authority and for a Solar Energy Service Contract with the Energy Virtual One-Stop Shop of the Department of Energy in relation to the proposed Mabini Wind Power Project and approval of the appointment of Mr. Oscar de Venecia, Jr. and Mr. Luisito V. Poblete as the Corporation's authorized signatories in the Letter of Intention and all pertinent documentary requirements in connection with the said application
14 April 2026	Special Meeting	Approval of 2025 Consolidated Audited Financial Statements (2025 CAFS) of the Corporation and its subsidiaries as well as its submission to the Securities and Exchange Commission (SEC), the Philippine Stock Exchange (PSE) and other government institutions requiring the submission of the 2025 CAFS;
21 April 2026	Special Meeting	Approval of the authority for the Corporation to enter into a Memorandum of Understanding with the National Irrigation Administration for the conduct of technical, financial, and socio-economic feasibility studies for a potential development of a solar photovoltaic power project in the Upper Pampanga River Integrated Irrigation Systems and approval of the appointment of Mr. Luisito V. Poblete as the Corporation's authorized representative to negotiate and sign signatories the Memorandum of Agreement and all pertinent documentary requirements in connection with the said application

Process for Nomination of Directors For Election

- (ii) The Board of Directors sets the date, time and venue for the year's annual stockholders meeting in its regular meeting at the latest approximately three (3) months before the annual stockholders meeting. The Compliance Officer discloses to the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) the setting of the annual stockholders' meeting immediately after the Board meeting.
- (iii) Any stockholder may submit nominations for election as members of the Board after the disclosures to the SEC and the PSE. Nominations shall be signed by the nominating stockholder and accepted and signed by the would-be nominee and submitted to the Nominating Committee at any time before the Committee submits the Final List of Nominees to the Board.
- (iv) The Nominating Committee pre-screens the would-be nominees, ensuring that they possess all the qualifications and that they do not possess any of the disqualifications for directors as prescribed in the Manual on Corporate Governance, the Company's By-Laws and other applicable laws and regulations.
- (v) The Nominating Committee shall have the right to require the nominating stockholder to submit a resume of the would-be nominee and such other documents as may be necessary for the Nomination Committee to undertake its pre-screening functions.
- (vi) After the pre-screening process, the Nominating Committee prepares a Final List of all nominees and submits the list to the Board of Directors for approval, complete with the information required by the Securities Regulation Code.
- (vii) The Final List of Nominees as approved by the Board shall be immediately disclosed to the SEC and the PSE. The Final List of Nominees is reported in the definitive Information Statement furnished to all stockholders prior to the stockholders' meeting. In case a nominee is not included in the Final List, the Corporate Secretary shall accordingly advise, in writing, the nominating stockholder and his/her nominee.
- (viii) Only nominees whose names appear on the Final List of Nominees shall be eligible for election as directors. No other nomination shall be entertained after the Final List of Nominees shall have been disclosed and submitted to the SEC and the PSE. No further nominations shall be entertained or allowed on the floor during the actual stockholders' meeting.

(Nothing Follows)



**"STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS"**

The Management of **BASIC ENERGY CORPORATION and SUBSIDIARIES** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.


In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.


The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements, including schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders for the period December 31, 2025 and 2024, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


Kim S. Jacinto – Henares
Chairwoman


Oscar L. De Venecia Jr.
Chief Executive Officer


Alain S. Pangan
Vice President - Finance

SUBSCRIBED AND SWORN TO before me this APR 14 2026 in
MANDALUYONG CITY, affiant exhibited to me the following identification:

Name	Valid ID	Date / Place of Issuance
Kim Jacinto-Henares	P0996070B	DFA Manila
Oscar L. de Venecia, Jr.	P8082820A	DFA Manila
Alain S. Pangan	P5631428A	DFA Manila

Doc. No. 315
Page No. 64
Book No. 1
Series of 2026.



NOTARY PUBLIC


JULIANNE KHRISTINA B. BELTRAN
NOTARY PUBLIC FOR MANDALUYONG CITY
Until December 31, 2027
APPOINTMENT NO. 0695-26; Roll No. 84822
PTR No. MKT10764979, January 5, 2026, Makati City
IBP No. 569472; December 22, 2025, Quezon City
MCLE Compliance No. VII-0029854
240 GM Bldg. EDSA Brgy. Wack Wack
Mandaluyong City
Tel No. (+632) 88301800
Email: juliannekhristinabeltran@gmail.com

DOCUMENTARY STAMP TAX PAID
Affixed Loose Stamp
on Notary Public's Copy
Serial No. 12739732
Date of Payment 14 APRIL 2026



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Basic Energy Corporation and Subsidiaries
GM Building, Florida St.
Barangay Wack Wack, Greenhills East
Mandaluyong City

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Basic Energy Corporation and Subsidiaries, a subsidiary of MAP 2000 Development Corp. (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2025, 2024 and 2023, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2025, 2024 and 2023 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in the Philippines. We have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audits of the consolidated financial statements of the current period. These matters were addressed in the context of our audits of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

The Group sells and distributes petroleum products and is engaged in fuel depot, terminal and storage operations. As discussed in Notes 17 and 5 to the consolidated financial statements, revenues from sale of fuel and trade receivables of the Group amounted to ₱52,056.0 million and ₱18,161.7 million as at and for the year ended December 31, 2025, respectively. The Group recognizes sale of fuel when goods are delivered, the title to the goods has passed to the buyer, and the amount of revenue can be measured reliably. The terms of the sale of fuel ranges from 15 to 240 days.



We determined that the revenue recognition and recording of receivables of the Group is a key audit matter because of the inherent risk related to the completeness, existence and occurrence of the revenue and related receivables arising from the Group's arrangements with its key customers. We have performed an understanding of the revenue cycle and revenue recognition policy and tested the reliability of its information system in capturing transactions related to revenue and recording of receivables. Further, we have reviewed the arrangement with customers vis-à-vis its transactions during the year to determine the proper timing of revenue recognition. We have performed test of controls, substantive analytical procedures, and applicable test of details. For the receivables of the Group, we have sent confirmation letters, performed test of subsequent collections and examination of related supporting documents to validate the existence of receivables. Assessment of the adequacy of allowance for expected credit losses was also performed by testing the assumptions and computation performed including default rate, forward looking assumptions and credit enhancements including collaterals of customers.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report including the sustainability report for the year ended December 31, 2025, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report including the sustainability report are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used, and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Joseph C. Bilangbilin.

REYES TACANDONG & Co.

JOSEPH C. BILANGBILIN

Partner

CPA Certificate No. 102884

Tax Identification No. 210-181-965-000

BOA Accreditation No. 4782/P-010; Valid until June 6, 2026

SEC Accreditation No. 102884-SEC Group A

Issued December 27, 2022

Valid for Financial Periods 2022 to 2026

BIR Accreditation No. 08-005144-011-2025

Valid until August 10, 2028

PTR No. 10764010

Issued January 2, 2026, Makati City

April 7, 2026

Makati City, Metro Manila

BASIC ENERGY CORPORATION AND SUBSIDIARIES
(A Subsidiary of Map 2000 Development Corp.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	4	P2,506,849,701	P1,664,685,320
Trade and other receivables - current	5	21,025,954,332	18,520,644,939
Inventories	6	7,480,636,194	5,136,991,947
Excess tax credits		1,275,989,407	1,890,370,207
Derivative assets	27	37,418,512	-
Other current assets	7	324,546,635	221,598,195
		32,651,394,781	27,434,290,608
Assets of disposal group held for sale	8	-	85,170,214
Total Current Assets		32,651,394,781	27,519,460,822
Noncurrent Assets			
Receivables - noncurrent	5	397,821,288	752,864,835
Investments in associates and joint ventures	9	267,796,153	190,982,951
Investment properties	10	1,258,460,102	359,834,102
Property and equipment	11	2,933,957,531	3,989,189,726
Right-of-use (ROU) assets	22	724,828,896	350,440,376
Net deferred tax assets	23	12,785,615	-
Other noncurrent assets	12	89,922,554	85,878,144
Total Noncurrent Assets		5,685,572,139	5,729,190,134
		P38,336,966,920	P33,248,650,956
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	13	P11,660,587,340	P8,720,548,475
Borrowings - current	14	18,038,140,151	16,138,305,291
Lease liabilities - current	22	53,466,905	40,627,540
Derivative liabilities	27	-	50,241,984
		29,752,194,396	24,949,723,290
Liabilities of disposal group held for sale	8	-	14,835,510
Total Current Liabilities		29,752,194,396	24,964,558,800
Noncurrent Liabilities			
Borrowings - noncurrent	14	62,193,053	68,779,835
Lease liabilities - noncurrent	22	634,920,555	303,366,439
Net retirement benefit liability	21	5,433,581	1,944,889
Net deferred tax liabilities	23	570,850,878	614,027,802
Total Noncurrent Liabilities		1,273,398,067	988,118,965
Total Liabilities		P31,025,592,463	P25,952,677,765

(Forward)

		December 31	
	Note	2025	2024
Equity			
Capital stock	15	₱3,667,160,766	₱3,667,160,766
Additional paid-in capital		370,064,055	370,064,055
Retained earnings (deficit)		22,528,716	(15,109,658)
Treasury stock	15	-	(3,240,000)
Other equity reserves		(42,501,260)	(45,496,923)
Equity attributable to equity holders of the Parent Company		4,017,252,277	3,973,378,240
Equity attributable to non-controlling interests	16	3,294,122,180	3,322,594,951
Total Equity		7,311,374,457	7,295,973,191
		₱38,336,966,920	₱33,248,650,956

See accompanying Notes to Consolidated Financial Statements.

BASIC ENERGY CORPORATION AND SUBSIDIARIES
(A Subsidiary of MAP 2000 Development Corp.)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	2025	2024	2023
REVENUES	17			
Sale of goods		P52,056,033,514	P47,826,086,254	P63,900,448,645
Sale of services		124,123,545	130,043,774	173,107,781
		52,180,157,059	47,956,130,028	64,073,556,426
COST OF SALES AND SERVICES	18			
Sale of goods		50,031,873,376	46,576,445,711	62,190,665,808
Sale of services		39,433,477	42,082,974	46,252,622
		50,071,306,853	46,618,528,685	62,236,918,430
GROSS PROFIT		2,108,850,206	1,337,601,343	1,836,637,996
GENERAL AND ADMINISTRATIVE EXPENSES	19	(1,587,320,013)	(1,212,823,966)	(1,513,483,586)
FINANCE COSTS	14	(1,148,509,024)	(993,384,585)	(660,726,636)
INTEREST INCOME	4	114,042,815	142,461,509	150,749,706
SHARE IN NET INCOME OF ASSOCIATES AND JOINT VENTURES	9	10,790,050	7,483,952	9,092,237
OTHER INCOME - Net	20	705,563,262	662,482,049	291,030,436
INCOME (LOSS) BEFORE INCOME TAX		203,417,296	(56,179,698)	113,300,153
INCOME TAX EXPENSE (BENEFIT)	23			
Current		81,657,267	32,671,718	78,133,216
Deferred		(63,539,082)	(117,493,307)	(64,424,567)
		18,118,185	(84,821,589)	13,708,649
NET INCOME		P185,299,111	P28,641,891	P99,591,504
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Equity holders of the Parent Company		P38,628,374	(P19,901,916)	P42,693,877
Non-controlling interests		146,670,737	48,543,807	56,897,627
		P185,299,111	P28,641,891	P99,591,504
Basic/Diluted Income (Loss) Per Share	24	P0.003	(P0.001)	P0.003

(Forward)

		Years Ended December 31		
	Note	2025	2024	2023
NET INCOME		₱185,299,111	₱28,641,891	₱99,591,504
OTHER COMPREHENSIVE INCOME	15			
To be reclassified to profit or loss				
Gain (loss) on translation of foreign operations		(4,690,727)	556,179	(1,875,483)
Not to be reclassified to profit or loss				
Revaluation surplus, net of deferred tax		24,660,584	-	-
Unrealized gain (loss) on changes in fair value of equity securities at FVOCI		(202,641)	3,016,313	129,710
Remeasurement gains (losses) on net retirement benefit liability - net of deferred tax		(2,121,061)	192,417	(13,436,440)
		17,646,155	3,764,909	(15,182,213)
TOTAL COMPREHENSIVE INCOME		₱202,945,266	₱32,406,800	₱84,409,291
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO:				
Equity holders of the Parent Company		₱41,624,037	(₱16,848,243)	₱36,539,740
Non-controlling interests		161,321,229	49,255,043	47,869,551
		₱202,945,266	₱32,406,800	₱84,409,291

See accompanying Notes to Consolidated Financial Statements.

BASIC ENERGY CORPORATION AND SUBSIDIARIES
(A Subsidiary of MAP 2000 Development Corp.)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

Equity Attributable to Equity Holders of the Parent Company

	Other Equity Reserves										Equity Attributable to Non-controlling Interests	Total Equity
	Other Comprehensive Income (Loss)											
	Capital Stock (see Note 15)	Additional Paid-in Capital	Retained Earnings (Deficit)	Revaluation Surplus (see Note 15)	Gains (Losses) on Translation of Foreign Operations	Cumulative Unrealized Gains on Fair Value Changes of Financial Assets at FVOCI	Cumulative Remeasurement Gains (Losses) on Acquisition of Non-controlling Interests	Equity Reserve on Acquisition of Non-controlling Interests	Treasury Stock (see Note 15)	Total		
Balances as at December 31, 2024	P3,667,160,766	P370,064,055	P15,109,658	P-	P1,386,162	P12,107,970	P53,945,929	P-	P3,240,000	P3,973,378,240	P3,322,594,951	P7,295,973,191
Net income	-	-	38,628,374	-	-	-	-	-	-	38,628,374	146,670,737	185,299,111
Dividends declared to holders of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	8,877,810	(4,504,614)	(202,641)	(1,174,892)	-	-	2,995,663	(189,794,000)	(189,794,000)
Sale of treasury stock	-	-	(990,000)	-	-	-	-	-	3,240,000	2,250,000	14,650,492	17,646,155
Balances as at December 31, 2025	P3,667,160,766	P370,064,055	P22,528,716	P8,877,810	P3,118,452	11,905,329	P6,220,018	P53,945,929	P-	P4,017,252,277	P3,294,122,180	P7,311,374,457
Balances as at December 31, 2023	P3,667,160,766	P370,064,055	P4,792,258	P-	P538,237	P9,091,657	P4,234,561	P53,945,929	P3,240,000	P3,990,226,483	P3,537,939,908	P7,528,166,391
Net income (loss)	-	-	(19,901,916)	-	-	-	-	-	(3,240,000)	(19,901,916)	48,543,807	28,641,891
Dividends declared to holders of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	847,925	3,016,313	(810,565)	-	-	3,053,673	(264,600,000)	(264,600,000)
Balances as at December 31, 2024	P3,667,160,766	P370,064,055	P15,109,658	P-	P1,386,162	P12,107,970	P5,045,126	P53,945,929	P3,240,000	P3,973,378,240	P3,322,594,951	P7,295,973,191
Balances as at December 31, 2022	P3,554,660,766	P352,939,718	P37,781,619	P-	P2,440,838	P8,961,947	P146,685	P53,945,929	P3,240,000	P3,824,182,406	P3,490,070,357	P7,314,252,763
Net income	-	-	42,693,877	-	-	-	-	-	-	42,693,877	56,897,627	99,591,504
Collection of subscription receivable	112,500,000	17,124,337	(120,000)	-	-	-	-	-	-	129,504,337	-	129,504,337
Other comprehensive income (loss)	-	-	-	-	(1,902,601)	129,710	(4,381,246)	-	-	(6,154,137)	(9,028,076)	(15,182,213)
Balances as at December 31, 2023	P3,667,160,766	P370,064,055	P4,792,258	P-	P538,237	P9,091,657	P4,234,561	P53,945,929	P3,240,000	P3,990,226,483	P3,537,939,908	P7,528,166,391

BASIC ENERGY CORPORATION AND SUBSIDIARIES
(A Subsidiary of MAP 2000 Development Corp.)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31		
		2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax		₱203,417,296	(₱56,179,698)	₱113,300,153
Adjustments for:				
Finance costs	14	1,148,509,024	993,384,585	660,726,636
Depreciation, amortization and impairment loss	11	497,771,453	343,668,540	627,220,420
Loss (gain) on:				
Early settlement of installment receivable	20	(151,419,268)	-	-
Write-off of:				
Receivable from claim for tax refund		31,609,189	-	-
Other current assets	19	13,328,410	-	-
Trade and other payables	20	(12,877,792)	-	-
Disposal of investment in subsidiary	20	(4,595,665)	-	-
Reversal of provision for probable loss	13	-	-	(39,405,712)
Termination of lease	22	-	-	(53,191)
Fair value changes on investment properties	20	(139,482,000)	(16,973,345)	(73,117,985)
Interest income	4	(114,042,815)	(142,461,509)	(150,749,706)
Provision for expected credit loss (ECL) on trade and other receivables	5	42,935,822	18,264,348	-
Unrealized fair value change of derivatives	27	(37,418,512)	(50,241,984)	93,432,781
Unrealized foreign exchange losses (gains)		20,098,738	(31,214,267)	(140,403,515)
Retirement benefit expense	21	19,566,026	20,799,041	20,190,611
Share in net income of associates and joint ventures	9	(10,790,050)	(7,483,952)	(9,092,237)
Operating income before working capital changes		1,506,609,856	1,071,561,759	1,102,048,255
Decrease (increase) in:				
Trade and other receivables		(2,005,584,592)	(3,308,688,564)	(785,641,454)
Inventories		(2,343,644,247)	(5,971,070)	462,724,388
Other current assets		(105,138,599)	(20,582,180)	195,995,814
Other noncurrent assets		(18,897,840)	34,290,425	191,631,898
Increase (decrease) in trade and other payables		3,909,099,549	(1,804,733,530)	(2,342,942,656)
Net cash generated from (used for) operations		942,444,127	(4,034,123,160)	(1,176,183,755)
Income taxes paid		(509,683,149)	(352,695,607)	(641,415,888)
Contributions to retirement plan and benefits paid from operating fund	21	(21,000,000)	(20,691,984)	(32,943,058)
Interest received from cash and cash equivalents		8,075,361	16,586,706	13,021,636
Provisions paid	13	-	-	(1,002,031)
Net cash provided by (used in) operating activities		419,836,339	(4,390,924,045)	(1,838,523,096)

(Forward)

		Years Ended December 31		
	Note	2025	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Advances to related parties	25	(250,446,762)	(433,359,964)	(329,768,113)
Property and equipment	11	(110,468,315)	(94,380,871)	(86,834,657)
Investments in associates and joint ventures	9	(53,578,606)	-	-
ROU assets	22	(39,756,893)	-	-
Financial assets at FVOCI	12	(2,250,000)	-	-
Note receivables		(1,266,250)	-	-
Collections of:				
Installment receivable	5	248,072,946	-	-
Advances to related parties		128,698,063	247,159,964	193,535,556
Note receivables		14,626,438	-	-
Long-term placements		6,000,000	10,000,000	2,971,256
Interest receivable		-	1,962,106	3,588,891
Refundable deposit		-	26,219,816	-
Proceeds from disposal of:				
Subsidiary	8	14,165,641	-	-
Property and equipment	11	-	-	3,740,208
Net cash used in investing activities		(46,203,738)	(242,398,949)	(212,766,859)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from:				
Availments of borrowings	30	75,767,895,266	68,100,960,618	44,277,756,000
Advances from related parties	30	15,477,496	-	134,496
Sale of treasury stock	15	2,250,000	-	-
Payments of:				
Borrowings	30	(73,422,737,828)	(62,507,945,280)	(40,814,580,831)
Finance costs	30	(1,133,851,587)	(961,056,702)	(628,353,196)
Dividends payable	30	(687,981,286)	-	-
Lease liabilities	30	(72,451,462)	(156,264,078)	(223,482,456)
Advances from related parties	30	-	(477,496)	-
Stock issuance costs		-	-	(478,000)
Collection of subscription receivable	15	-	-	129,982,337
Net cash provided by financing activities		468,600,599	4,475,217,062	2,740,978,350
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		842,233,200	(158,105,932)	689,688,395
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(68,819)	(340,556)	(1,075,928)
CASH CLASSIFIED AS HELD FOR SALE	8	-	(13,791,581)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,664,685,320	1,836,923,389	1,148,310,922
CASH AND CASH EQUIVALENTS AT END OF YEAR		₱2,506,849,701	₱1,664,685,320	₱1,836,923,389

See accompanying Notes to Consolidated Financial Statements.

BASIC ENERGY CORPORATION AND SUBSIDIARIES
(A Subsidiary of MAP 2000 Development Corp.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025 AND 2024
AND FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

1. General Information

Corporate Information

Basic Energy Corporation (the Parent Company or BEC) was incorporated under the laws of the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on September 19, 1968. The Parent Company is a holding company with diversified business interests in various fields of renewable energy and alternative fuels, wholesale and distribution of petroleum products, and in oil and gas exploration and development.

The Parent Company shares are listed in the Philippine Stock Exchange (PSE) under the trading symbol "BSC".

The Group's ultimate Parent Company is MAP 2000 Development Corporation (M2DC or the Ultimate Parent Company).

The registered business address of the Parent Company is GM Building, Florida St., Barangay Wack Wack, Greenhills, East, Mandaluyong City.

The Parent Company and its subsidiaries are collectively referred to herein as "the Group". The details of the subsidiaries are as follows:

Subsidiaries	Nature of Business	% of Ownership					
		2025		2024		2023	
		Direct	Indirect	Direct	Indirect	Direct	Indirect
Filoil Energy Company, Inc. (FECI)	Holding company	60.00	–	60.00	–	60.00	–
• Filoil Logistics Corporation (FLC)	Distribution of petroleum products	–	30.60	–	30.60	–	30.60
• La Defense Filipinas Holdings Corporation (LDFHC)	Holding Company	–	36.00	–	36.00	–	36.00
○ Filipinas Third Millenium Realty Corporation (FTMRC)	Leasing and fuel terminalling	–	36.00	–	36.00	–	36.00
○ Map 2000 Terminals, Inc. (M2TI)	Leasing and fuel terminalling	–	36.00	–	36.00	–	36.00
○ Peninsula Land Bay Realty Corp. (PLBRC)	Management services	–	18.00	–	18.00	–	18.00
Grandway Group Limited (GGL)	Holding company	100.00	–	100.00	–	100.00	–
• PT Basic Energy Solusi (PT BES)	Oil exploration	–	95.00	–	95.00	–	95.00
Basic Diversified Industrial Holdings, Inc. (BDIHI)	Holding company	100.00	–	100.00	–	100.00	–
Basic Biofuels Corporation (BBC)	Development of biofuels	100.00	–	100.00	–	100.00	–
Basic Renewables, Inc. (BRI)	Renewable energy projects	100.00	–	100.00	–	100.00	–
iBasic, Inc. (iBasic)	Information Technology	100.00	–	100.00	–	100.00	–
Basic Energy Renewables Corporation (BERC)	Solar energy projects	100.00	–	100.00	–	100.00	–
San Joaquin Wind Energy Corporation	Renewable energy projects	100.00	–	100.00	–	100.00	–
Basic Energy Mariveles Corporation (formerly Starfish Wind Energy Corporation or BEMC)	Renewable energy projects	100.00	–	100.00	–	100.00	–
Basic Energy Cadiz 1 Corporation (formerly Pasuquin Wind Energy Corporation or BEC1C)	Renewable energy projects	100.00	–	100.00	–	100.00	–
Basic Renewable Energy Solutions Corporation (BRESC)	Renewable energy projects	100.00	–	100.00	–	–	–
Southwest Resources, Inc. (SRI)	Oil exploration	72.58	–	72.58	–	72.58	–
RDG Wind Energy Corporation (RWEC)*	Renewable energy projects	49.00	–	100.00	–	100.00	–

*In 2025, ceased as a subsidiary of the Group. As at December 31, 2024, assets and liabilities are included as part of disposal group held for sale (see Note 8).

All subsidiaries were incorporated and domiciled in the Philippines except GGL and PT BES which were incorporated and domiciled in Hong Kong and Indonesia, respectively.

Status of Renewable Energy Projects

As at December 31, 2025, the Group has various service contracts with the Philippine Government, through the Department of Energy (DOE), for the exclusive right to explore, develop and utilize energy resources within specified contract areas. The contract periods are generally 25 years and are still in the pre-development stage. Status of the Group's renewable energy projects are as follows:

Entity	SC/COA No.	Project Name	Date of Issuance	Location
BEC	SCOA 2025-05-032	Bolinao Solar Power Plant	May 28, 2025	Pangasinan
BEC1C	SCOA 2025-03-012	Cadiz 1 Solar Power Plant	March 24, 2025	Negros Occidental
BEMC	SCOA 2025-03-015	Mariveles Solar Power Project	March 14, 2025	Bataan
BEC	OsWCOA 2025-07-062	Balayan Nearshore Wind Power Project	July 30, 2025	Batangas
RWEC	WESC 2021-01-142	Mabini Wind Project	March 17, 2021	Batangas
SJWEC	WESC 2023-05-279	Panay Wind Project	June 14, 2023	Iloilo

Approval of the Consolidated Financial Statements

The consolidated financial statements of the Group as at December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024 and 2023 were approved and authorized for issuance by the Board of Directors (BOD) of the Parent Company on April 7, 2026, as reviewed and recommended for approval by the Audit Committee on the same date.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

All values are rounded to the nearest Peso, unless otherwise indicated.

Measurement Bases

The consolidated financial statements are presented in Philippine Peso (Peso), the Parent Company's functional currency. The Parent Company and its subsidiaries determine their own functional currencies, which best reflect the economic substance of the underlying transactions, events and conditions relevant to each entity. The functional currency of the Parent Company and its subsidiaries is Peso except GGL and PT BES.

At each reporting date, the assets and liabilities of GGL and PT BES are translated from their functional currencies (US Dollar and Indonesian Rupiah, respectively) to the Parent Company's functional and presentation currency (Philippine Peso) using the closing rate at each reporting date, while its comprehensive income is translated using weighted average exchange rates during the year. The exchange differences arising from the translation of a foreign operation are recognized in other comprehensive income (OCI).

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The consolidated financial statements of the Group have been prepared on the historical cost basis, except for the following:

<u>Account</u>	<u>Measurement Bases</u>
Financial assets at fair value through other comprehensive income (FVOCI)	Fair Value
Investment properties	Fair Value
Derivative financial instruments	Fair Value
Net retirement asset (liability)	Fair value of plan asset less present value of the defined benefit obligation less effect of asset ceiling

The Group uses market observable data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the following valuation techniques:

- Level 1 – Quoted (unadjusted) market prices in active market for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3 – Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable.

Further information about the assumptions made in measuring fair values is included in Note 26 to the consolidated financial statements.

Adoption of Amendments to PFRS Accounting Standards

The accounting policies adopted are consistent with those of the previous year, except for the adoption of amendments to PFRS Accounting Standards effective January 1, 2025. The adoption of the amendments to PFRS Accounting Standards did not materially affect the consolidated financial statements of the Group.

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2025 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective January 1, 2026 -

- Annual Improvements to PFRS Accounting Standards Volume 11:
 - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.
 - Amendments to PAS 7, *Statement of Cash Flows* – The amendments clarify that when accounting for an investment in an associate, a joint venture or a subsidiary accounted for by use of the equity or at cost, an investor restricts its reporting in the statements of cash flows to the cash flows between itself and the investee, such as dividends and advances.
 - Amendments to PFRS 9, *Financial Instruments – Transaction Price and Lessee Derecognition of Lease Liabilities* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments also replace the reference to ‘*transaction price as defined by PFRS 15, Revenue from Contracts with Customers*’ to ‘*the amount determined by applying PFRS 15*’ to remove potential confusion. Earlier application is permitted.

Effective January 1, 2027 -

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity’s assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under the prevailing circumstances, the adoption of the new and amended PFRS Accounting Standards is not expected to have a material impact on the Group’s consolidated financial statements, except for PFRS 18. The Group is currently evaluating the potential effects of PFRS 18 on the presentation and disclosure of the consolidated financial statements, including the structure of the consolidated statements of comprehensive income. Additional disclosures will be provided in the consolidated financial statements, as applicable.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Further, the financial statements of the subsidiaries are prepared using the same reporting period of the Parent Company.

A subsidiary is an entity in which the Parent Company has control. The Parent Company controls a subsidiary if it is exposed, or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. In assessing control, the Parent Company takes into consideration potential voting rights that are currently exercisable.

Subsidiaries are consolidated from the date on which control is transferred to the Parent Company and deconsolidated from the date the Parent Company ceases to have control. Intercompany balances and transactions, including intercompany profits and unrealized profits and losses, are eliminated in full.

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

In 2025, RWEC ceased to be a subsidiary of the Parent Company. Accordingly, the assets and liabilities of RWEC were derecognized from the consolidated financial statements as at and for the year ended December 31, 2025 (see Note 8).

Non-controlling Interests

Non-controlling interests, presented within equity, represent the share of a subsidiary's total comprehensive income and net assets that are not attributable to the Parent Company. The Group allocates the subsidiaries' total comprehensive income or loss between the Parent Company's equity holders and the non-controlling interests based on their respective ownership percentages.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition. The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.

"Day 1" Difference. Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there are no observable data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Financial Assets

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given. The initial measurement of financial assets, except for those designated at fair value through profit or loss (FVPL), includes transaction cost.

Classification. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at amortized cost, (b) financial assets at FVOCI, and (c) financial assets at FVPL. The classification of a financial asset at initial recognition largely depends on the Group's business model for managing the asset and its contractual cash flow characteristics.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process.

As at December 31, 2025 and 2024, the Group's cash and cash equivalents, trade and other receivables (excluding nonfinancial assets), short-term placements, long-term placements, and refundable deposits are included in this category (see Notes 4, 5, 7, 12 and 22).

Financial Assets at FVOCI - Equity Instruments. For equity instruments that are not held for trading, the Group may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, *Financial Instruments: Presentation*. This option is available and made on an instrument-by-instrument basis.

All other gains or losses from equity instruments are recognized in OCI and are presented in the equity section of the consolidated statements of financial position and are not reclassified to profit or loss in subsequent periods, but instead, these are transferred directly to retained earnings.

As at December 31, 2025 and 2024, the Group has investments in quoted equity securities which were irrevocably designated as financial assets at FVOCI (see Note 12).

Financial Assets at FVPL. Financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

After initial recognition, financial instruments at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in profit or loss.

The Group uses derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gain or loss arising from changes in fair value of derivatives that do not qualify for hedge accounting is recognized in profit or loss.

A derivative embedded in a hybrid contract, with financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit of loss category.

As at December 31, 2025, the Group classified its derivative assets on outstanding foreign exchange forward contracts and embedded commodity price derivative assets under this category (see Note 27).

Impairment of Financial Assets at Amortized Cost. The Group recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at FVPL. ECL is based on the difference between the cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group has applied the simplified approach and has calculated ECL based on lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

For other financial assets measured at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. The Group also considers reasonable and supportable information that is available without undue cost or effort and is indicative of significant increases in credit risk since initial recognition.

Derecognition. A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The right to receive cash flows from the asset has expired;
- The Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- The Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are recognized initially at fair value, which is the fair value of the consideration received. In case of financial liabilities at amortized cost, the initial measurement is net of any directly attributable transaction costs.

Classification. The Group classified its financial liabilities at initial recognition either financial liabilities at amortized cost or financial liabilities at FVPL.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue, and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process. As at December 31, 2025 and 2024, the Group's trade and other payables (excluding nonfinancial liabilities), borrowings and lease liabilities are classified under this category (see Notes 13, 14, and 22).

Financial Liabilities at FVPL. Financial liabilities at FVPL include financial liabilities that are (a) held for trading or (b) designated upon initial recognition at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

After initial recognition, financial instruments at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial liabilities at FVPL are recognized in profit or loss.

As at December 31, 2024, the Group classified its derivative liability on outstanding foreign exchange forward contracts and embedded commodity price derivative liability under this category (see Note 27).

Derecognition. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). Cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition, and it is calculated using the weighted average method.

The NRV of inventories is the estimated selling price in the ordinary course of business, less the estimated cost necessary to make the sale. In determining the NRV, the Group considers any adjustment necessary for obsolescence.

When the NRV of the inventories is lower than their cost, the inventories are written down to its NRV and the difference between the cost and NRV of the inventories is charged in profit or loss.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, except land and construction in progress. Land and construction in progress are stated at cost less any accumulated impairment losses.

The initial cost of property and equipment consists of its purchase price after deducting trade discounts and rebates, import duties, nonrefundable purchase taxes, and any other costs directly attributable in bringing the asset to its working condition and location for its intended use. The cost of self-constructed assets includes the cost of materials, direct labor, any other costs directly attributable in bringing the assets to the working condition for their intended use, and costs of dismantling and removing the items and restoring the site on which they are located.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to profit or loss in the year in which such costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When parts of an item of property and equipment have different useful lives, these are accounted for as separate items (major components) of property and equipment.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the property and equipment:

	Number of Years
Depot and jetty facilities	22
Machineries and equipment	5 to 10
Furniture, fixtures and office equipment	2 to 5
Building and improvements	5 to 10

The estimated useful lives and depreciation method are reviewed at each reporting date to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Construction in progress represents properties under construction and is stated at cost, including costs of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are completed and ready for operational use.

Investments in Associates and Joint Ventures

These consist of investments in a joint arrangement classified as a joint venture and associates that are accounted for at equity method.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in associates and joint ventures are accounted for under the equity method. The investments are initially recognized at cost and adjusted to recognize the Group's share in the changes in the net assets of the associates since the acquisition date. Goodwill relating to the joint venture or associate is included in the carrying amount of the investment and is not tested for impairment separately. Dividends received by the Group from the associates and joint ventures will reduce the carrying amount of the investments when such dividends have been received. Dividends received from associates and joint ventures whose carrying values have been reduced to zero are recognized as income in the consolidated statements of income. The Group recognizes its share in net income or loss of the associates in profit or loss. Any change in OCI of the associates is presented as part of the Group's OCI. In addition, where there has been a change recognized directly in equity of the associate, the Group recognizes its share in these changes, when applicable, in the consolidated statements of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investments in the associates or joint ventures. At each financial reporting date, the Group determines whether there is objective evidence that the investment in joint ventures or associates are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates or joint ventures and its carrying values, then recognizes the loss within share in earnings from investments in associates and joint ventures in the consolidated statements of comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

The financial statements of the associates are prepared in the same reporting period and using the uniform accounting policies used by the Group.

Investment Properties

Investment properties pertain to land held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes.

Investment properties are accounted for using fair value model. Under the fair value model, investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognized in profit or loss in the period in which they arise.

An investment property is derecognized either when the asset has been disposed of or when the investment property has been permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of retirement or disposal. In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer, if any.

Transfers are made to or from investment property only when there is a change in use, evidenced by the ending of owner-occupation, commencement of an operating lease to another party or ending of the construction or development. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Other Nonfinancial Assets

Other nonfinancial assets pertain to excess tax credits, advances to suppliers, prepayments, input value-added tax (VAT) and deferred input VAT.

Excess Tax Credits. Excess tax credits pertain to the Group's excess income tax payments. These include taxes withheld and remitted to the Bureau of Internal Revenue (BIR) by customers which can be applied to the Group's income tax payable in the same year the related income was recognized. Excess tax credits are carried forward and can be utilized in succeeding years. These are measured at face amount, less any impairment in value.

Advances to Suppliers. Advances to suppliers represent advance payments made in relation to purchase of raw materials and services and are carried at cost. These are to be applied against the suppliers' billing upon the receipt of materials or services.

Prepayments. Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and included in profit or loss when incurred. Prepayments that are expected to be utilized within 12 months after the reporting date are classified as current assets. Otherwise, these are classified as noncurrent assets.

VAT. VAT is a tax on consumption levied on the sale, barter, exchange, or lease of goods or properties and services, and on importation of goods in the Philippines. It is an indirect tax, which may be shifted or passed on to the buyer, transferee or lessee of goods, properties or services.

Revenue, expenses, and assets are recognized net of the amount of VAT, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that include the amount of VAT.

The net amount of VAT recoverable from the taxation authority is presented as "Input VAT" under "Other current assets" account in the consolidated statements of financial position.

Deferred Input VAT. In accordance with Revenue Regulations (RR) No. 16-2005, input VAT on purchases or imports of capital goods (depreciable assets for income tax purposes) with an aggregate acquisition cost (exclusive of VAT) in each of the calendar month exceeding ₱1.0 million is claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter.

Deferred input VAT represents the unamortized amount of input VAT on capital goods and input VAT on the unpaid portion of availed services, including the use or lease of properties.

Based on Revenue Memorandum Circular (RMC) 21-2022, effective January 1, 2022, all input tax on purchases of capital goods shall no longer be deferred, but allowed to be claimed upon purchase or payment. Remaining unutilized input VAT shall be allowed to be amortized as scheduled until fully utilized.

Deferred input VAT that are expected to be claimed against output VAT within 12 months after the reporting date are classified as current assets. Otherwise, these are classified as noncurrent assets.

Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. If such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units (CGU) are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost of disposal or value in use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charges are adjusted prospectively to allocate the asset's revised carrying amount on a systematic basis over its remaining useful life.

Disposal Group Held for Sale

The Group classifies assets and liabilities of disposal group as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Disposal group held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of disposal group, excluding finance costs and income tax expense.

The criteria for held for sale classification is met only when the sale is highly probable, and the disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the disposal group and the sale expected to be completed within one (1) year from the date of classification.

If the one-year period is not complied, the Group can still classify its disposal group as held for sale when:

- There are non-buyer conditions which extend the period required to complete the sale and the conditions can only be complied after a firm purchase commitment is obtained. The firm purchase commitment should be highly probable within one year.
- There are buyer or non-buyer conditions that will extend the period required to complete the sale after the Group obtains a firm purchase agreement and the Group already responded to the conditions expecting favorable resolution.
- During the one-year period, the disposal group held for sale was not sold due to the occurrence of unlikely circumstances and the Group responded to the change in circumstances within the same period. Also, the disposal group should be actively marketed at a reasonable price given the change in circumstances.

The Group recognizes an impairment loss for any initial or subsequent write-down of the disposal group to fair value less costs to sell, to the extent that it has not been recognized in the carrying amount of the disposal group before initial classification as held for sale. The Group recognizes a gain for any subsequent increase in fair value less costs to sell of disposal group, but not in excess of the cumulative impairment loss that has been recognized.

Assets and liabilities of a disposal group classified as held for sale are presented separately as current items in the consolidated statements of financial position.

Advances from Customers

Advances from customers are amounts received in advance for the sale of fuel. These are carried at face amount in the consolidated statements of financial position under "Trade and other payables" account and are recognized as revenues when the related goods are delivered to the customers.

Equity

Capital Stock. Common stock is measured at par value for all shares issued and subscribed. Unpaid subscriptions are recognized as reduction to subscribed capital stock.

Additional Paid-in Capital (APIC). APIC represents the proceeds and/or fair value of consideration received in excess of the par value of the shares issued. Incremental costs directly attributable to the issuance of new common stock are recognized as a deduction from APIC, net of any tax effects.

Retained Earnings (Deficit). Retained earnings (deficit) represents the cumulative balance of the Group's profit or loss, net of dividend declarations.

Treasury Stock. Treasury stock represents the Parent Company's shares held by its subsidiary, which are carried at cost and deducted from equity until the shares are cancelled or sold.

When the shares are subsequently sold, the difference between the cost and consideration received, net of any directly attributable transaction costs, is included in equity attributable to the equity holders of the Parent Company.

Other Equity Reserves. Other equity reserves consist of cumulative balances of items of income and expense that are not recognized in profit or loss in accordance with PFRS Accounting Standards. Other equity reserves of the Group pertain to equity reserve on acquisition of NCI, cumulative gain (loss) on translation of investments in associates, cumulative unrealized gain on changes in fair value of financial assets at FVOCI, cumulative translation gain (loss) on consolidation of a foreign operation, and cumulative remeasurement gain (loss) on net retirement benefit asset (liability).

A change in ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. The difference between the consideration paid or transferred and equity acquired is presented as "Equity reserve on acquisition of non-controlling interest" account within equity in the consolidated financial statements.

Revenue Recognition

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognized.

Sale of Fuel. Sales revenue is recognized at the point in time when control of the asset is transferred to the customer upon delivery.

Port service Income. Port service income pertaining to port services is recognized over the period that the related service is provided.

Other Income. Income from other sources is recognized as revenue when earned.

The following are the specific recognition criteria for other revenues outside the scope of PFRS 15, *Revenues*:

Rental Income. Revenue on rental under non-cancellable and cancellable leases are recognized on a straight-line basis over the lease term.

Interest Income. Interest income is recognized as the interest accrues taking into account the effective yield on the asset, net of final tax.

Expense Recognition

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Cost of Sales. Cost of sales includes the purchase price of the products sold as well as costs that are directly attributable in bringing the inventory to its intended condition and location. Costs of sales is recognized when the related goods are delivered to the customers.

Cost of Services. Cost of services are recognized as expense when the related services are rendered.

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business. These are expensed when incurred.

Finance Costs. Finance costs are recognized in profit or loss using the effective interest method.

Leases

The Group assesses whether the contract is, or contains a lease at the commencement date. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

- i. The right to obtain substantially all of the economic benefits from use of the identified asset; and
- ii. The right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term. The Group also assesses whether a contract contains a lease for each potential separate lease component.

Group as Lessor. Leases where the Group retains substantially all the risks and rewards of ownership are classified as operating leases. Rental income is recognized in profit or loss when earned upon the fulfilment of the variable considerations which are mutually agreed by the parties in the arrangement.

Group as a Lessee. At the commencement date, the Group recognizes ROU asset and lease liability for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

The Group elected to apply the recognition exemption on short-term leases. The related lease expenses on these lease agreements are recognized in profit or loss on a straight-line basis.

ROU Asset. At commencement date of the lease contracts, the Group measures ROU asset at cost. The initial measurement of ROU asset includes the following:

- The amount of the initial measurement of lease liability;
- Lease payments made at or before the commencement date less any lease incentives received;
- Initial direct costs; and
- An estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

After the commencement date, the ROU asset is carried at cost less any accumulated amortization and any accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities.

ROU asset is presented under "Leases" account in the consolidated statements of financial position. Amortization is computed using the straight-line method over the estimated useful life of 25 years or the remaining useful life of the underlying asset at the commencement of the lease, whichever is shorter.

Lease Liabilities. At commencement date, the Group measures lease liabilities at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate (IBR).

Lease payments included in the measurement of lease liabilities comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees; and
- The exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Lease liabilities are subsequently measured at amortized cost. Interest on the lease liabilities and any variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liabilities are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liabilities are remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. Lease liabilities are also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

Employee Benefits

Short-term Benefits. The Group recognizes short-term employee benefits based on contractual arrangements with employees. The unpaid portion of the short-term employee benefits is measured on an undiscounted basis and is included as part of "Trade and other payables" account in the consolidated statements of financial position.

Retirement Benefit. Retirement benefit costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. The calculation of net retirement benefits costs is performed annually by a qualified actuary. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The net retirement benefit liability (asset) recognized by the Company is the aggregate of the present value of the defined benefit obligation reduced by the fair value of plan assets out of which the obligations are to be settled directly. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related net retirement benefit liability (asset).

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of the plan assets is based on the market price information. When no market price is available, the fair value of plan assets is estimated by discounting the estimated future cash flows using discount rates that reflect both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the retirement benefit liability, the measurement of the resulting net retirement benefit is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group recognizes retirement benefit costs, comprising of current service cost and net interest income or expense in profit or loss. The Group determines the net interest cost by applying the discount rate to the defined benefit liability at the beginning of the reporting period, taking into account any changes in the defined benefit liability during the period as a result of benefit payments.

Remeasurements of the net retirement benefit liability, which consist of actuarial gains and losses and the return on plan assets (excluding interest), and the effect of asset ceiling (if any, excluding interest) are recognized immediately in OCI and are not reclassified to profit or loss in subsequent periods.

Foreign Currency

Foreign Currency-Denominated Transactions

Transactions denominated in foreign currencies are translated into the respective functional currencies of the Group using the exchange rate at the dates of the transaction.

Outstanding monetary assets and liabilities denominated in foreign currencies are translated into the respective functional currency using the closing exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Differences arising on settlement or translation of monetary assets and liabilities are recognized in profit or loss.

Translation of a Foreign Operation

A foreign operation is a subsidiary, associate, joint arrangement or branch whose activities are based or conducted in a country or currency other than those of the reporting entity.

At each reporting date, the assets and liabilities of the foreign operation are translated from its functional currency to the Parent Company's functional and presentation currency using the closing rate at each reporting date, while its comprehensive income is translated using weighted average exchange rates during the year.

The exchange differences arising on translation of a foreign operation are recognized in OCI. Upon disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Income Taxes

Current Tax

Current tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used in the computation are those that have been enacted at the reporting date.

Deferred Tax

Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized to equity or in OCI.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

Related Party Transactions

Related party transactions consist of transfers of resources, services, or obligations among the Group.

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its stockholders. Related parties may be individual or corporate entities. The key management personnel of the Group and post-employment benefit plans for the benefit of the Group's employees are also considered to be related parties.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Segment Reporting

The Group reports separate information about its operating segment.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same Group) and whose operating results are regularly reviewed to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete information is available.

Provisions and Contingencies

Provisions. Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, the estimated cash flows are discounted using a current pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingencies. Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable.

Basic and Diluted Income per Share

Basic Income per Share. Basic income per share is calculated by dividing the net income for the period attributable to equity holders of the Parent Company by the weighted average number of issued and outstanding shares and subscribed shares, with retroactive adjustment for any stock dividends, stock splits or reverse stock splits during the year.

Diluted Income per Share. Diluted income per share is calculated in the same manner as basic income per share, adjusted for the effects of any potentially dilutive, convertible securities.

Events After the Reporting Date

Post year-end events that provide additional information about the Group's financial position at reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. Judgments, Accounting Estimates and Assumptions

The preparation of the consolidated financial statements requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes. The judgments, accounting estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances at the reporting date.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates. The accounting estimates and underlying assumptions are reviewed on an ongoing basis.

The following are the judgments, accounting estimates and assumptions made by the Group:

Judgments

Determining Functional and Presentation Currency. The Group's consolidated financial statements are presented in Philippine Peso, the Parent Company's functional currency, which mainly influences labor, material and other costs of providing goods or services. The Parent Company and its subsidiaries determine their own functional currencies, which best reflect the economic substance of the underlying transactions, events and conditions relevant to each entity.

Based on the economic substance of the underlying circumstances, the functional currency of the Group's subsidiaries, except GGL and PT BES, is the Philippine Peso. The functional currency and presentation currency of GGL and PT BES are US Dollar and Indonesian Rupiah, respectively.

Classifying and Measuring Financial Assets. Classification and measurement of financial assets depend on the results of the contractual cash flow and the business model tests. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how these risks are managed.

At initial recognition, the Group designated its investments in quoted equity as financial assets at FVOCI (see Note 12).

Cash and cash equivalents, trade and other receivables (excluding nonfinancial assets), short and long-term placements, and refundable deposits were classified as financial assets at amortized cost since the Group's primary business model in relation to these assets is to hold the financial assets to collect contractual cash flows solely for principal and interest (see Notes 4, 5, 7, 12 and 22).

Determining Fair Values. The fair values of securities that are actively traded in organized financial markets are determined by reference to unadjusted quoted market prices at the close of business on the reporting date.

The fair values of financial instruments that are not quoted in active markets are determined by using generally accepted valuation techniques, such as discounted cash flow models. The models are validated and periodically reviewed by qualified personnel independent of the area that created them and are approved by the BOD before these are used. The models are calculated to ensure that output reflects actual data and comparative market prices. Further, inputs used in these models are from observable data and quoted market prices in respect of similar financial instruments. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

While significant components of fair value measurement were determined using verifiable objective evidence, such as foreign exchange rates, the amount of changes in fair value would differ if the Group utilized different valuation methodologies and assumptions. Any changes in fair value of these financial assets and liabilities would affect the consolidated financial statements.

In accordance with the amendments to PFRS 7, disclosures about the level in the fair value hierarchy are required in which the fair value measurements are categorized for assets and liabilities measured in the consolidated statements of financial position.

Assumptions and methods of determining the fair values of financial instruments are presented in Note 26 to the consolidated financial statements.

Determining Operating Lease – Group as Lessor. The Group, as a lessor, has entered into property leases for its investment properties. The Group has determined that it retains all the significant risks and rewards of ownership of these properties. Accordingly, the leases are accounted for as operating leases.

In 2025, 2024 and 2023, the amount of rent revenues recognized by the Group are disclosed in Note 22 to the consolidated financial statements.

Classifying Investment Properties. The Group determines whether a property qualifies as an investment property or an item of property and equipment. In making its judgment, the Group considers whether the property is held primarily to earn rentals or capital appreciation or used for operations and administrative purposes by the Group.

The Group classifies land held to earn rentals and for capital appreciation as investment properties. The carrying amount of investment properties as at December 31, 2025 and 2024 are disclosed in Note 10 to the consolidated financial statements.

Classifying RDG Wind Energy Corporation (RWEC) as Disposal Group Held for Sale. The Group exercises judgment in classifying group of assets and liabilities disposal group held for sale by considering the management's commitment to sell the disposal group within one (1) year, the existence of an active program to locate a buyer, and the initiation of a plan to complete the sale.

In 2024, assets and liabilities of RWEC, previously included in the consolidated financial statements, was reclassified to "Asset held for sale" and "Liabilities held for sale" account, respectively, in the consolidated financial statements. This reclassification is in accordance with PFRS 5, *Noncurrent Asset Held for Sale and Discontinued Operations*, which requires that when a sale plan involves the loss of control of a subsidiary, the Group shall classify all the assets and liabilities of that subsidiary as held for sale, regardless of whether it will retain a non-controlling interest after the sale.

On February 14, 2025, the Group completed the sale of its 51% ownership in RWEC to a third party.

Details of the Group's sale of investments in RWEC are disclosed in Note 8 to the consolidated financial statements.

Assessing Control of PLBRC. The Group exercises judgment whether control has been established over an investee through consideration of all facts and circumstances to determine whether the Group is exposed or has rights to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity.

The Group considers PLBRC as a subsidiary even though it has less than 51% equity ownership because it can exercise control over the management and operations of PLBRC. Moreover, majority of PLBRC's assets are being utilized in the Group's operations. Accordingly, the consolidated financial statements of the Group include those of PLBRC.

Determining Loss of Control over RWEC and Determining Interests in Joint Arrangements. The Group exercises judgment in determining whether it has joint control over an arrangement. This assessment involves evaluating whether the collective agreement of all parties is required to direct the activities that most significantly affect the returns of the arrangement. Joint control exists when decisions about these relevant activities require the unanimous consent of the parties sharing control.

The Group also evaluates whether a joint arrangement should be classified as a joint operation or a joint venture. This determination is based on an analysis of the Group's rights and obligations, considering the structure and legal form of the arrangement, the terms of the contractual agreement, and, when applicable, other relevant facts and circumstances.

Management has assessed that the Group lost control over RWEC but obtained joint control over the arrangement with the third party. Although the Group holds only 49% ownership interest, joint control was established because the contractual terms require unanimous consent from all parties for decisions on significant relevant activities.

On February 14, 2025, following the sale of its 51% ownership to a third party, the Group reclassified its remaining 49% ownership over RWEC as an investment in a joint venture. The Group determined that the arrangement qualifies as a joint venture as it involves joint control over the net assets of RWEC, which is structured as a separate entity.

Furthermore, the Group determined that its interests in Mariveles Joint Venture Corporation (MJVC) also qualifies as an investment in joint venture.

Details of investments in joint ventures of the Group are disclosed in Note 9 to the consolidated financial statements.

Determining Existence of Significant Influence over Filoil Asia Pacific, Ltd. (FAP), Ecology Insurance Agency Corp. (EIAC) and Amlan Negros Development Realty Corp. (ANDRC). The Group assessed that it has significant influence over the investees under PAS 28, *Investments in Associates and a Joint Venture*, where significant influence is presumed over interest ownership of at least 20%. Moreover, significant influence has been established by the Group over the investees because of its participation in the decision-making process of the investees' significant activities, through its representation in the investees' BOD.

The carrying amount of investments in associates as at December 31, 2025 and 2024 are disclosed in Note 9 to the consolidated financial statements.

Determining Lease Term of Contracts with Extension and Termination Options – Group as a Lessee. The Group determines the term of its lease contracts as non-cancellable, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group's lease contracts includes extension and termination options subject to mutual agreement between the Group and its lessors. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive for it to exercise either the renewal or termination. The management assessed that the option to extend or terminate the lease is not reasonably certain to be exercised. Accordingly, the Group did not include the periods covered by the extension option as part of the lease term, since these are not enforceable at the reporting date.

Amortization of ROU assets and interest expense on lease liability and the carrying amounts of ROU assets and lease liabilities as at December 31, 2025 and 2024 are disclosed in Note 22 to the consolidated financial statements.

Evaluating Adequacy of Tax Liabilities. The Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretation of tax laws and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Accounting Estimates and Assumptions

Assessing ECL on Trade Receivables. The Group, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Group also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Group then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data to reflect the effects of current and forecasted economic conditions.

The Group adjusts historical default rates to forward-looking default rates by determining the closely related economic factor affecting each customer segment. The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant accounting estimate. Accordingly, the provision for ECL on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

Allowance for ECL and carrying amount of trade receivables as at December 31, 2025 and 2024 are disclosed in Note 5 to the consolidated financial statements.

Assessing ECL on Other Financial Assets at Amortized Cost. The Group determines the allowance for ECL using the general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the counterparty.

The Group also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the counterparty.

For financial assets at amortized cost, the Group assessed that the ECL is not material because the transactions with respect to these financial assets were entered only with banks and counterparties with good credit standing and relatively low risk of default. Accordingly, no provision for ECL on these financial assets was recognized in 2025, 2024 and 2023.

The carrying amounts of other financial assets at amortized cost as at December 31, 2025 and 2024 are disclosed in Notes 4, 5, 7 and 12 in the consolidated financial statements.

Determining the NRV of Inventories. The Group writes down the cost of inventories whenever NRV becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The lower of cost or NRV is reviewed regularly to reflect the accurate valuation in the financial records. Inventory items identified to be obsolete and unusable are also written off and charged as expense for the period.

There were no inventory write-down in 2025, 2024 and 2023. The carrying amount of inventories as at December 31, 2025 and 2024 are disclosed in Note 6 to the consolidated financial statements.

Estimating the Useful Lives of Property and Equipment. The useful lives of property and equipment (excluding land and construction in progress) are estimated based on the period over which the assets are expected to be available for use. They are reviewed periodically and are updated if expectations differ from previous estimates. Any reduction in the estimated useful lives of these assets would increase the Company's recorded operating expenses and decrease noncurrent assets.

In 2025 and 2023, there were no changes in the estimated useful lives of property and equipment. In 2024, the Group changed the estimated useful lives of depot tanks and buildings from 10 years to 22 years based on the assessment of the Management and to align with the industry. Accordingly, the decrease in depreciation expense in 2024 are as follows:

	Before change in useful life	Impact	After change in useful life
Property and equipment	₱2,288,212,459	₱153,556,976	₱2,441,769,435
Depreciation on property and equipment	352,568,757	(153,556,976)	199,011,781

The carrying amounts of property and equipment as at December 31, 2025 and 2024 are disclosed in Note 11 to the consolidated financial statements.

Determining the Fair Value of Investment Properties. Land classified as part of investment properties are measured at fair values. The Group works closely with external qualified appraisers who performed the valuation using appropriate valuation techniques. The comparable market data were adjusted as necessary to reflect the specific assets' size, location and other characteristics. The valuation techniques and inputs used in the fair value measurement of investment properties are disclosed in Note 10 to the consolidated financial statements.

The fair value changes and carrying amount of investment properties as at December 31, 2025 and 2024 are disclosed in Note 26 to the consolidated financial statements.

Assessing Nonfinancial Assets for Impairment. The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Group considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends; and
- Significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost of disposal or value in use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction, less the cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

As disclosed in Note 11, impairment loss in property and equipment was recognized in 2025. The carrying amounts of nonfinancial assets as at December 31, 2025 and 2024 are disclosed in Notes 5, 7, 9, 10, 11,12, 22, and 23 to the consolidated financial statements.

Determining Retirement Benefits. The determination of the net retirement benefit asset (liability) and expense is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 21 to the consolidated financial statements and include discount rates and salary increase rates among others. Actual results that differ from the Group's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded asset (liability) in such future periods. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the net retirement benefit liability.

Information about net retirement liability are disclosed in Note 21 to the consolidated financial statements.

Estimating Incremental Borrowing Rate on Lease Liabilities. The Group uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The Group estimates the incremental borrowing rate using available observable inputs (such as the prevailing Bloomberg Valuation Service interest rates) adjusted for entity-specific estimates, to reflect the terms and conditions of the lease.

The Group has applied incremental borrowing rates ranging from 3% to 7.6% for the computation of lease liabilities and ROU assets. Carrying amounts of lease liabilities and ROU assets are disclosed in Note 22 to the consolidated financial statements.

Recognizing Deferred Tax Assets. The Group reviews the carrying amount of deferred tax assets at each reporting date and reduces the balance to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Information about the carrying amount of deferred tax assets as at December 31, 2025 and 2024 are disclosed in Note 23 to the consolidated financial statements.

Assessing Provisions and Contingencies. The Group evaluates legal proceedings to which it is involved based on analysis of potential results. Management and its legal counsels do not believe that any current proceedings will have material adverse effects on its financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in estimates or in the effectiveness of strategies relating to these proceedings. Details about the legal proceedings as at April 7, 2026 are disclosed in Note 28 to the consolidated financial statements.

4. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	P653,865	P608,823
Cash in banks	2,423,395,453	1,516,896,506
Cash equivalents	82,800,383	147,179,991
	P2,506,849,701	P1,664,685,320

Cash in banks earn interest at the prevailing bank deposit rates and are immediately available for use in the current operations:

Cash equivalents are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group and earn annual interest at rates ranging from 0.25% to 4.00%, 0.25% to 6.25% and 0.25% to 5.20% in 2025, 2024 and 2023, respectively.

Interest Income

The sources of the Group's interest income are as follows:

	Note	2025	2024	2023
Cash and cash equivalents		P8,075,361	P16,586,706	P13,021,636
Notes receivables	5	26,548,116	25,914,943	27,511,539
Installment receivable	25	79,219,441	99,529,598	109,435,006
Money market placements	7	199,897	430,262	781,525
		P114,042,815	P142,461,509	P150,749,706

5. Trade and Other Receivables

This account consists of:

	Note	2025	2024
Trade receivables from:			
A related party	25	P10,602,274,831	P10,017,913,652
Third parties		7,559,451,453	6,310,817,168
Advances to related parties	25	1,226,504,011	1,064,118,335
Receivable from claim for tax refund		612,976,205	-
Note receivables from:			
Related party	25	521,224,038	521,224,038
Third parties		285,931,445	296,291,633
Claim for tax refund under litigation		397,821,288	-
Interest receivable		109,546,270	82,798,257
Nontrade receivables	25	67,200,000	-
Installment receivable	25	-	1,000,937,781
Others		90,292,919	7,917,682
		21,473,222,460	19,302,018,546
Less allowance for ECL		(49,446,840)	(28,508,772)
		P21,423,775,620	P19,273,509,774

Trade and other receivables are presented in the consolidated financial statements as follows:

	2025	2024
Current	₱21,025,954,332	₱18,520,644,939
Noncurrent:		
Claim for tax refund under litigation	397,821,288	–
Installment receivable	–	752,864,835
	397,821,288	752,864,835
	₱21,423,775,620	₱19,273,509,774

Trade Receivables from Third Parties

Trade receivables from third parties are noninterest-bearing, generally subject to credit terms ranging from 15 to 240 days. These trade receivables are generally unsecured except for a certain customer with outstanding trade receivables amounting to ₱471.5 million and ₱527.9 million as at December 31, 2025 and 2024, that are secured by a chattel mortgage of shares of stocks.

Terms of arrangements with certain customers carry penalty charges for delayed payments. Details are as follows:

	Note	2025	2024	2023
Income from penalty	20	₱248,402,624	₱503,865,014	₱105,548,197
Penalty rates per annum		7.8% to 8.5%	7.0% to 7.8%	5.5% to 8.0%

Further, trade receivables amounting to ₱4,233.6 million and ₱1,883.0 million as at December 31, 2025 and 2024, are held as security for borrowings related to assignment of receivables with full recourse (see Note 14).

Receivable from Claim for Tax Refund

This account pertains to creditable withholding taxes applied by the Group for refund which are expected to be collected within one year.

On October 21, 2025, the Company received a notice of approval of the income tax refund of the CWT claimed for refund covering the taxable period from January 1, 2023 to December 31, 2023 amounting to ₱613.0 million of which ₱581.4 million was approved for refund. Accordingly, the Group wrote off receivable from claim for tax refund amounting to ₱31.6 million (see Note 9). On April 6, 2026, the Group collected the approved refund.

Claim for Tax Refund under Litigation

This account consists of creditable withholding taxes applied by the Group for refund with an ongoing case with the Court of Tax Appeals.

Note Receivables

Note receivables are unsecured, collectible either on demand or through equal monthly installments, and bear interest rates ranging from 3.00% to 9.03% in 2025, 2024 and 2023.

In 2025, 2024 and 2023, interest earned from note receivables from third parties and related parties amounted to ₱26.5 million, ₱25.9 million and ₱27.5 million, respectively (see Note 4).

Interest and Other Receivables

Interest and other receivables are generally unsecured and collectible within one year.

Installment Receivable

This account pertains to a receivable arising from the Group's sale of its investment in TPC Energy Corporation (TEC) (formerly Total Philippines Corporation) to Filoil Philippines Corporation (FPC), a related party under common control. The receivable is unsecured, collectible in annual installments until 2029, and was initially recognized at present value using a discount rate of 9.0% per annum. The balance of and movements in this account are as follows:

	Note	2025	2024
Gross Amount			
Balance at beginning of year		₱1,231,576,490	₱1,477,244,052
Settlement through deed of assignment		(983,503,544)	–
Collections		(248,072,946)	–
Reclassification to "Advances to a related party" account		–	(245,667,562)
Balance at end of year		–	1,231,576,490
"Day 1" Difference			
Balance at beginning of year		230,638,709	330,168,307
Gain on early settlement	20	(151,419,268)	–
Interest income	4	(79,219,441)	(99,529,598)
Balance at end of year		–	230,638,709
Carrying Amount	25	₱–	₱1,000,937,781

In 2023, interest income on installment receivable amounted to ₱109.4 million (see Note 4).

As discussed in Note 25 to the consolidated financial statements, in 2025, the Group entered into an offsetting arrangement with FPC. Installment receivable amounting to ₱983.5 million was settled through application of the Group's payable to FPC. This resulted to the recognition of gain on early settlement of the installment receivables amounting to ₱151.4 million (see Note 20).

As at December 31, 2024, receivable from sale of investment is presented in the consolidated statements of financial position as follows:

Current	₱248,072,946
Noncurrent	752,864,835
	₱1,000,937,781

Allowance for ECL

The balances of and movements in this account are as follows:

	Note	2025		Total
		Trade Receivables	Other Receivables	
Balance at beginning of year		₱15,794,945	₱12,713,827	₱28,508,772
Provision	19	32,323,065	10,612,757	42,935,822
Write-off		(21,997,754)	–	(21,997,754)
Balance at end of year		₱26,120,256	₱23,326,584	₱49,446,840

	Note	2024		Total
		Trade Receivables	Other Receivables	
Balance at beginning of year		₱8,143,358	₱2,101,066	₱10,244,424
Provision	19	7,651,587	10,612,761	18,264,348
Balance at end of year		₱15,794,945	₱12,713,827	₱28,508,772

6. Inventories

This account, consists of fuel inventories measured at cost, amounted to ₱7,480.6 million and ₱5,137.0 million as at December 31, 2025 and 2024, respectively.

Under the terms of the agreements with the banks, inventories amounting to ₱2,040.7 million and ₱2,185.5 million as at December 31, 2025 and 2024, respectively, are held as collateral for trust receipts payable included under "Borrowings" account in the consolidated statements of financial position. The Group is accountable to the banks for the trusted inventories or the corresponding sales proceeds upon maturity of the trust receipts payable (see Note 14).

In 2025, 2024 and 2023, cost of inventories charged to "Cost of sales and services" account in the consolidated statements of comprehensive income amounted to ₱50,031.9 million, ₱46,576.4 million and ₱62,190.7 million, respectively (see Note 18).

7. Other Current Assets

This account consists of:

	Note	2025	2024
Input VAT		₱198,532,106	₱38,932,433
Prepayments:			
Taxes and licenses		78,168,305	84,659,075
Insurance		14,433,276	27,196,551
Advances to suppliers		19,063,726	17,664,935
Short-term placements		13,258,639	—
Refundable deposits	22	945,000	25,000,000
Deferred input VAT		145,583	28,145,201
		₱324,546,635	₱221,598,195

In 2025, the Group wrote off other current assets amounting to ₱13.3 million (see Note 19).

Prepayments and Advances to Supplier

Prepayments and advances to suppliers pertain to advance payments for purchase of goods and services, respectively, and are reclassified to appropriate asset or expense account when delivered or rendered by the supplier which are normally within one year.

Money Market Placements

This account represents money market placements with maturity terms ranging from two (2) to five (5) years and earn annual interest at 3.0% to 4.0% in 2025 and 4.0% in 2024 and 2023.

These are presented in the consolidated statements of financial position as follows:

	Note	2025	2024
Short-term placements		₱13,258,639	₱-
Long-term placements	12	-	19,058,742
		₱13,258,639	₱19,058,742

In 2025, 2024 and 2023, interest earned from money market placements amounted to ₱0.2 million, ₱0.4 million and ₱0.8 million, respectively (see Note 4).

8. Disposal Group Held for Sale

On April 17, 2024, the Group entered into the Joint Development and Shareholders Agreement (JDSA) with a third-party joint venture partner for the development, management and operation of an onshore wind power generation project under RWEC, which serves as the joint venture entity. Under the JDSA, the Group agreed to sell and assign 51% ownership interest in the common stock of RWEC, a former subsidiary, for an agreed purchase price with the joint venture partner.

As at December 31, 2024, the Group's management has assessed that the criteria for classification as held for sale had been met. Details of the assets and liabilities of RWEC that were classified as held for sale are as follows:

	Note	Amount
Assets Held for Sale		
Cash in banks	4	₱13,791,581
Property and equipment	11	64,661,788
Other current assets	7	6,716,845
		85,170,214
Liability Held for Sale		
Trade and other payables	13	14,835,510
Net Assets Held for Sale		₱70,334,704

On February 14, 2025, the Group completed the sale of 51% ownership over RWEC and recognized gain on disposal of subsidiary in the consolidated statements of comprehensive income as follows:

	Note	Amount
Total consideration:		
Cash consideration		₱14,165,641
Advances to related party arising from deconsolidation	25	51,570,045
Fair value of retained investment (49%)	9	9,194,683
		74,930,369
Net assets derecognized		70,334,704
	20	₱4,595,665

The Group did not recognize any gain or loss from measuring the retained investment in RWEC, as its fair value at the date of sale was equivalent to the carrying amount of RWEC's net assets amounting to ₱9.2 million.

The initial recognition of the investment retained in RWEC under “Investments in joint ventures” account amounting to ₱9.2 million was considered as noncash financial information in the 2025 consolidated statements of cash flows.

As at February 14, 2025, RDG had not yet started commercial operations and did not meet the definition of a discontinued operation in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*. Accordingly, the following net loss of RDG for the period January 1, 2025 to February 14, 2025, and for the year ended December 31, 2024, is included under continuing operations in the consolidated statements of comprehensive income.

9. Investments in Associates and Joint Ventures

Details of this account are as follows:

	2025	2024
Investments in associates	₱130,294,718	₱124,135,731
Investments in joint ventures	90,314,267	66,847,220
	220,608,985	190,982,951
Advances for future stock subscriptions in a joint venture	47,187,168	–
	₱267,796,153	₱190,982,951

Investments in Associates

The Group’s investments in associates, through FECl, is accounted for using the equity method. The ownership interests over these entities are as follows:

	2025	2024	2023
ANRDC	24.00%	24.00%	24.00%
EIAC	23.75%	23.75%	23.75%
FAP	20.00%	20.00%	20.00%

FAP, an entity incorporated in Singapore, serves as one of the Group’s suppliers of petroleum products, which is considered strategic to the overall business operations of the Group. ANDRC and EIAC are entities incorporated in the Philippines and have not yet commenced commercial operations as at April 7, 2026.

The balance of and movements of investments in associates are as follows:

	December 31, 2025			December 31, 2024		
	FAP	Others	Total	FAP	Others	Total
Cost						
Balances at beginning and end of year	₱102,000,000	₱477,496	₱102,477,496	₱102,000,000	₱477,496	102,477,496
Cumulative Share in Net Income (Loss)						
Balances at beginning of year	21,304,414	(443,339)	20,861,075	16,482,804	(336,956)	16,145,848
Share in net income (loss)	2,943,281	(34,157)	2,909,124	4,821,610	(106,383)	4,715,227
Balances at end of year	24,247,695	(477,496)	23,770,199	21,304,414	(443,339)	20,861,075
Cumulative Translation Gain						
Balance at beginning of year	797,160	–	797,160	67,795	–	67,795
Translation gain	3,249,863	–	3,249,863	729,365	–	729,365
Balance at end of year	4,047,023	–	4,047,023	797,160	–	797,160
Carrying Amounts	₱130,294,718	–	₱130,294,718	₱124,101,574	₱34,157	124,135,731

In 2023, the Group's share in net income from associates amounted to ₱9.1 million.

The summarized financial information of the associates as at and for the year ended are as follows:

	As at December 31, 2025		As at December 31, 2024	
	FAP	Others	FAP	Others
Current assets	₱6,912,726,115	₱25,734,974	₱1,208,665,372	₱25,734,974
Noncurrent assets	46,937	69,006,251	111,766	69,006,251
Less current liabilities	6,654,808,704	72,224,664	996,269,268	72,224,664
Net assets	₱257,964,348	₱22,516,561	₱212,507,870	₱22,516,561

For the Year Ended	FAP	Others
December 31, 2025:		
Revenues	₱15,256,782,036	₱-
Net income	29,207,167	-
December 31, 2024:		
Revenues	6,348,823,718	7,779,849
Net income	24,108,048	-
December 31, 2023:		
Revenues	9,814,483,599	32,780,968
Net income	54,884,273	6,360,299

Investment in FAP

In 2020, FECl entered into a Memorandum of Agreement (MOA) with a third party to operate a company in Singapore. Under the Agreement, FAP will be 20%-owned by FECl and 80% will be owned by the third party. In the same year, FAP received the advances for the subscription of the 80% ownership of the third party. Under an agreement entered in December 2021, FECl cedes and waives all its rights and interests, including the fruits and income attached to such advances for the subscription of the 80% ownership in FAP, in favor of the third party. As a result of this arrangement, FECl accounted its investment in FAP at 20% effective economic interest as an associate starting at the execution of the agreement. Accordingly, the Group's effective economic interest in FAP amounted to 12%.

As at April 7, 2026, FAP is still in the process of finalizing the legal requirement for the completion of the subscription of the JV Partner.

The reconciliation of summarized financial information of FAP to the carrying amount of investment is as follows:

	2025	2024
Net assets	₱257,964,348	₱212,507,870
Ownership adjustments	102,000,000	102,000,000
Adjusted net assets	155,964,348	110,507,870
% of ownership by FECl	20.00%	20.00%
Share in net assets	31,192,870	22,101,574
Cost of investment	102,000,000	102,000,000
Elimination of unrealized profits	(2,898,152)	-
Carrying amount of investment	₱130,294,718	₱124,101,574

Investments in Joint Ventures

Details of the Group's investments in joint ventures, accounted for using the equity method, and the effecting ownership interests over these entities are as follows:

	2025	2024	2023
RDG	50.00%	—%	—%
MJVC	18.00%	18.00%	18.00%

MJVC and RDG are both entities incorporated in the Philippines. MJVC provides management services for the Group-owned jetty facilities while RDG is engaged in renewable energy projects. Both activities of MJVC and RDG are considered strategic to the overall business operations of the Group.

The balance of and movements in this account are as follows:

	2025		2024	
	MJVC	RDG	Total	MJVC
Cost				
Balances at beginning of year	₱53,039,000	₱—	₱53,039,000	₱53,039,000
Investment retained upon derecognition as subsidiary	—	9,194,683	9,194,683	—
Additions	—	6,391,438	6,391,438	—
Balances at end of year	53,039,000	15,586,121	68,625,121	53,039,000
Cumulative Share in Net Income (Loss)				
Balances at beginning of year	13,808,220	—	13,808,220	12,783,597
Share in net income (loss)	8,305,765	(424,839)	7,880,926	1,024,623
Balances at end of year	22,113,985	(424,839)	21,689,146	13,808,220
Carrying Amounts	₱75,152,985	₱15,161,282	₱90,314,267	₱66,847,220

The key financial information of the associates as at and for the years ended, and the reconciliation to the carrying amount of investments in associates are as follows:

	December 31, 2025		December 31, 2024
	MJVC	RDG	MJVC
Current assets*	₱132,666,195	₱17,487,574	₱121,820,250
Noncurrent assets	20,490,297	108,811,506	20,699,396
Current liabilities**	27,850,522	1,602,182	8,825,206
Noncurrent liabilities	—	94,374,334	—
Net assets	125,305,970	30,322,564	133,694,440
% of ownership	50.00%	50.00%	50.00%
Carrying amounts of investments	62,652,985	15,161,282	66,847,220
Elimination adjustments	12,500,000	—	—
	₱75,152,985	₱15,161,282	₱66,847,220

*MJVC includes cash and cash equivalents amounting to ₱101.5 million and ₱98.5 million as at December 31, 2025 and 2024, respectively. RDG includes cash and cash equivalents amounting to ₱9.1 million as at December 31, 2025.

**RDG includes financial liabilities excluding trade and other payables amounting to ₱94.4 million as at December 31, 2025.

For the Year Ended	MJVC	RDG
December 31, 2025:		
Revenues	P32,014,834	P-
Depreciation	3,609,386	-
Interest income	3,876,617	14,606
Income tax expense	136,050	-
Net income	16,611,529	(550,120)
December 31, 2024:		
Revenues	31,986,472	-
Depreciation	3,915,193	-
Interest income	4,119,958	-
Income tax expense	6,342,620	-
Net income	5,692,352	-
December 31, 2023:		
Revenues	32,780,968	-
Depreciation	3,915,193	-
Interest income	4,119,958	-
Income tax expense	6,342,620	-
Net income	6,360,299	-

Investment in RDG

As discussed in Note 8, the Group recognized investment in a joint venture amounting to P9.2 million arising from the retained investment in RDG reclassified from "Assets held for sale" account. Further, the Group has additional investments in RDG of preferred shares amounting to P0.6 million and common shares amounting to P5.8 million, with an aggregate amount of P6.4 million.

Advances for Future Stock Subscriptions

This account represents the Group's advance payment for its planned additional subscription of shares in RDG amounting to P47.2 million. As at December 31, 2025, RDG has not yet filed its application with the SEC to increase authorized capital stock, and the Group has not yet applied the advance payments as subscription to the additional shares.

10. Investment Properties

The balance of and movements in this account, consisting of various parcels of land measured at fair value, are as follows:

	Note	2025	2024
Balances at beginning of year		P359,834,102	P342,860,757
Reclassification from "Property and equipment" account	11	759,144,000	-
Fair value changes	20	139,482,000	16,973,345
Balance at end of year		P1,258,460,102	P359,834,102

In 2023, gain on fair value changes of investment properties amounted to P73.1 million (see Note 20).

The Group earned rental income amounting to P69.7 million, P75.5 million, and P74.8 million from its investment properties in 2025, 2024, and 2023, respectively (see Note 17).

Depreciation, amortization and impairment loss are recognized from the following:

	Note	2025	2024	2023
Property and equipment		₱439,437,289	₱199,011,781	₱398,661,171
ROU assets	22	58,334,164	144,656,759	228,559,249
		₱497,771,453	₱343,668,540	₱627,220,420

Depreciation, amortization and impairment loss are distributed in the consolidated statements of comprehensive income as follows:

	Note	2025	2024	2023
Cost of sales and services	18	₱22,195,344	₱22,895,562	₱23,487,541
General and administrative expenses	19	475,576,109	320,772,978	603,732,879
		₱497,771,453	₱343,668,540	₱627,220,420

As at December 31, 2025 and 2024, cost of fully depreciated property and equipment still in use by the Group in its operations amounted to ₱526.4 million and ₱525.8 million, respectively.

In 2025, the Group recognized an impairment loss amounting to ₱298.9 million pertaining to assets assessed by management that are no longer used in operations.

Reclassifications Due to Change in Use

Effective January 1, 2025, the Group changed the use of its land previously classified as owner-occupied property to property held for leasing. According to PAS 40, *Investment Property*, if an item of property and equipment carried under the cost model is reclassified to investment property carried under the fair value model, the difference between the fair value and the carrying amount at the date of reclassification is recognized as a revaluation surplus in accordance with PAS 16, *Property, Plant and Equipment*. Accordingly, the Group recognized revaluation surplus as a result of this reclassification amounting to ₱32.9 million in the consolidated statements of comprehensive income (see Note 15).

Furthermore, the carrying amount of land reclassified from "Property and equipment" to "Investment properties" account in consolidated statements of financial position amounted to ₱759.1 million (see Note 10).

12. Other Noncurrent Assets

This account consists of:

	Note	2025	2024
Refundable deposits	22	₱41,854,335	₱22,236,963
Financial assets at FVOCI	26	17,208,467	15,161,108
Net retirement benefit asset	21	14,040,667	11,882,714
Long-term placements	7	–	19,058,742
Others		16,819,085	17,538,617
		₱89,922,554	₱85,878,144

Financial Assets at FVOCI

The balance of and movements in this account, consists of investments in quoted equity securities, are as follows:

	Note	2025	2024
Balance at beginning of year		₱15,161,108	₱12,144,795
Additions		2,250,000	–
Fair value change	15	(202,641)	3,016,313
Balance at end of year		₱17,208,467	₱15,161,108

In 2023, the Group recognized fair value change amounting to ₱0.1 million (see Note 15).

Details of fair value determination of financial assets at FVOCI are disclosed in Note 26 to the consolidated financial statements.

13. Trade and Other Payables

This account consists of:

	Note	2025	2024
Trade payables to:			
Third parties		₱6,487,086,635	₱7,234,516,461
Related parties	25	4,883,387,346	288,474,730
Advances from:			
Customers		122,516,853	15,960,560
Joint venture partner	9	44,092,324	–
Related parties	25	15,477,496	542,527,252
Dividends payable		39,832,714	538,020,000
Statutory payables		23,673,185	48,905,830
Others		44,520,787	52,143,642
		₱11,660,587,340	₱8,720,548,475

Trade payables, mainly consist of importation and local purchases of fuel, are generally noninterest-bearing, unsecured and to be settled within four (4) months.

Advances from customers represent payment received in advance for the delivery of fuel, which are normally delivered to the customers within one (1) month.

Accrued expenses, statutory payables and other payables are generally noninterest-bearing, unsecured and to be settled within one year. In 2025, the Group wrote off ₱12.9 million recognized under "Other income - net" account in the consolidated statements of comprehensive income (see Note 20).

Advances from Joint Venture Partner

As discussed in Note 8 to the consolidated financial statements, the Group shall receive development fees from the joint venture partner for the services rendered, including site prospecting, feasibility studies, and permit processing. The development fees are payable based on milestones and contractual conditions mutually agreed upon by the parties. However, any development fees received by the Group remain refundable if the JDSHA is terminated before all applicable milestones and contractual conditions are met.

As of April 7, 2026, remaining contractual commitments related to the development fees, for which the specified contractual conditions have not yet been fulfilled, amounted to ₱396.8 million.

Provisions for Probable Losses

Provision was reversed in 2023 due to the settlement of the legal case. There is no additional provision recognized in 2024.

The balance of and movements in provisions for probable losses as at December 31, 2023 are as follows:

	Note	Amounts
Balance at beginning of year		₱40,407,743
Payments		(1,002,031)
Reversal	20	(39,405,712)
Balance at end of year		₱-

14. Borrowings

This account consists of:

	Note	2025	2024
Promissory notes:			
Third parties		₱12,499,376,395	₱11,686,760,171
Related party	25	-	451,909,360
Liability arising from receivable financing		3,560,276,476	1,882,911,283
Trust receipts		2,040,680,333	2,185,504,312
		₱18,100,333,204	₱16,207,085,126

Purpose	Terms and Conditions	Effective Interest Rate	2025	2024
To finance working capital	Payable in lump sum payments within three months; Secured by continuing surety agreement with stockholders, FECl and a related party	6.5% to 7.8%, 6.9% to 7.8% and 5.0% to 7.8% in 2025, 2024 and 2023, respectively	₱12,429,250,000	₱11,609,451,570
To finance working capital	Payable in lump sum payments at various maturity dates that are co-terminus with the invoice date plus two days of the assigned trade receivables; Secured by assignment with full recourse of trade receivables with carrying amount of ₱4,233.6 million and ₱1,883.0 million as at December 31, 2025 and 2024, respectively (see Note 5)	6.9% to 7.0% and 6.9% to 7.8% in 2025 and 2024, respectively	3,560,276,476	1,882,911,283
To finance importations of inventories	Payable in lump sum payments within one to three months; Secured by inventories with carrying amount of ₱2,040.7 million and ₱2,185.5 million as at December 31, 2025 and 2024, respectively, or the corresponding sales proceeds (see Note 6)	6.8% to 7.0% and 6.9% to 7.0% in 2025 and 2024, respectively	2,040,680,333	2,185,504,312
To finance repairs and rehabilitation of depot	Payable in monthly installment payments within four to ten years; Secured by land under "Property and equipment" account with carrying amount of ₱49.4 million as at December 31, 2025 and 2024	6% to 7% in 2025, 2024 and 2023	70,126,395	77,308,601
To finance construction of depot facilities	Payable on demand; Unsecured; Through a Standby Credit Facility Agreement (SCFA) with related parties (see Note 25)	Various rates based on the 91-day treasury bill rate plus a specified margin on the date of each drawdown	-	451,909,360
			₱18,100,333,204	₱16,207,085,126

In 2025, the Group settled its promissory notes with a related party through an offset arrangement with a related party amounting to ₱451.9 million. This is considered as noncash financial information in the consolidated statements of cash flows (see Note 25).

Borrowings are presented in the consolidated statements of financial position as follows:

	2025	2024
Current	₱18,038,140,151	₱16,138,305,291
Noncurrent	62,193,053	68,779,835
	₱18,100,333,204	₱16,207,085,126

Details of the Group's finance costs recognized in the consolidated statements of comprehensive income are as follows:

Note	2025	2024	2023
Interest expense on:			
Short-term promissory notes	₱817,551,422	₱800,373,289	₱628,837,827
Trust receipts	139,070,397	75,676,910	-
Lease liabilities	23,879,152	23,590,799	31,888,809
Long-term promissory notes	5,335,383	1,534,032	-
Fees for receivable financing	162,672,670	92,209,555	-
	₱1,148,509,024	₱993,384,585	₱660,726,636

Maturity analysis of the Group's borrowings as at December 31, 2025 is as follows

2026	₱18,038,140,151
2027	7,730,860
2028	7,730,860
2029	7,730,860
2030	7,730,860
After 2030	31,269,613
	<u>₱18,100,333,204</u>

15. Equity

Capital Stock

The details of the capital stock as at December 31, 2025, 2024 and 2023 are as follows:

	2025		2024		2023	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Authorized - ₱0.25 par value						
Balance at beginning and end of year	20,000,000,000	₱5,000,000,000	20,000,000,000	₱5,000,000,000	20,000,000,000	₱5,000,000,000
Subscribed						
Balance at beginning and end of year	14,668,643,064	₱3,667,160,766	14,668,643,064	₱3,667,160,766	14,668,643,064	₱3,667,160,766
Subscription Receivable						
Balance at beginning of year	-	-	-	-	-	112,500,000
Collections	-	-	-	-	-	(112,500,000)
Balance at end of year	-	-	-	-	-	-
Issued	14,668,643,064	₱3,667,160,766	14,668,643,064	₱3,667,160,766	14,668,643,064	₱3,667,160,766
Treasury Stock						
Balance at beginning of year	18,000,000	₱3,240,000	18,000,000	₱3,240,000	18,000,000	₱3,240,000
Sale	(18,000,000)	(3,240,000)	-	-	-	-
Balance at end of year	-	₱-	18,000,000	₱3,240,000	18,000,000	₱3,240,000
Outstanding						
Balance at beginning of year	14,668,643,064	₱3,667,160,766	14,650,643,064	₱3,663,920,766	14,650,643,064	₱3,663,920,766

Pursuant to the registration statement rendered effective by the SEC on October 16, 1973, a total of 14,218,643 shares of the Parent Company were listed in the PSE. As at December 31, 2025 and 2024, the number of holders of such securities is 6,499 and 6,503, respectively.

Sale of Delinquent Shares

On September 12, 2023, the Parent Company sold 450.0 million delinquent shares of stock through an auction sale at a bid price of ₱0.289 per share for a total consideration of ₱139.6 million recognized in the consolidated statements of financial position as follows:

Collection of subscription receivable	₱112,500,000
Additional paid-in capital	17,124,337
	<u>₱129,624,337</u>

Treasury Stock

In 2025, 18.0 million shares of the Parent Company, held by a former subsidiary as at December 31, 2024, were sold to third parties as follows:

	Amount
Selling price	P2,250,000
Cost	3,240,000
Loss on sale	P990,000

Other Comprehensive Income

The sources of the Group's other comprehensive income, net of deferred tax, are as follows:

For the Year Ended	Note	Cumulative Unrealized Gains on Fair Value Changes of Financial Assets at FVOCI (see Note 12)	Revaluation Surplus (see Note 11)	Cumulative Remeasurement Gains on Net Retirement Benefit Liability (see Note 21)	Cumulative Gains on Translation of Foreign Operations	Total
December 31, 2025						
Gross		(P202,641)	P32,880,779	(P2,764,713)	(P4,690,727)	P25,222,698
Deferred tax	23	-	(8,220,195)	643,652	-	(7,576,543)
Net		(P202,641)	P24,660,584	(P2,121,061)	(P4,690,727)	P17,646,155
December 31, 2024						
Gross		P3,016,313	P-	P674,157	P556,179	P4,246,649
Deferred tax	23	-	-	(481,740)	-	(481,740)
Net		P3,016,313	P-	P192,417	P556,179	P3,764,909
December 31, 2023						
Gross		P129,710	P-	(P13,545,935)	(P1,875,483)	(P15,291,708)
Deferred tax	23	-	-	109,495	-	109,495
Net		P129,710	P-	(P13,436,440)	(P1,875,483)	(P15,182,213)

The Group's other comprehensive income, net of deferred tax, is attributable to the following:

For the Year Ended	Cumulative Unrealized Gains on Fair Value Changes of Financial Assets at FVOCI	Revaluation Surplus	Cumulative Remeasurement Gains on Net Retirement Benefit Liability	Cumulative Gains on Translation of Foreign Operations	Total
December 31, 2025					
Parent Company	(P202,641)	P8,877,810	(P1,174,892)	(P4,504,614)	P2,995,663
Non-controlling interests	-	15,782,774	(946,169)	(186,113)	14,650,492
	(P202,641)	P24,660,584	(P2,121,061)	(P4,690,727)	P17,646,155
December 31, 2024					
Parent Company	P3,016,313	P-	(P810,565)	P847,925	P3,053,673
Non-controlling interests	-	-	1,002,982	(291,746)	711,236
	P3,016,313	P-	P192,417	P556,179	P3,764,909
December 31, 2023					
Parent Company	P129,710	P-	(P4,381,246)	(P1,902,601)	(P6,154,137)
Non-controlling interests	-	-	(9,055,194)	27,118	(9,028,076)
	P129,710	P-	(P13,436,440)	(P1,875,483)	(P15,182,213)

16. Noncontrolling Interests

The Group's non-controlling interests on net assets as at December 31, 2025 and 2024 amounting to ₱3,294.1 million and ₱3,322.6 million, respectively, pertain to the following:

Subsidiaries	Direct %	Indirect %
FECI	40.00	–
FLC	–	69.40
LDFHC	–	64.00
FTMRC	–	64.00
M2TI	–	64.00
PLBRC	–	82.00
SRI	27.42	–
PT BES	–	5.00

Dividend Declared by Subsidiaries to the Holders of Non-controlling Interests

Details of this account for the year ended are as follows:

Subsidiary	Date of Declaration	Date of Payment	Per Share	Total Amount
December 31, 2025				
FECI	December 6, 2025	December 6, 2025	₱9.79	₱37,944,000
FLC	November 25, 2025	November 25, 2025	28.41	61,250,000
LDFHC	December 3, 2025	December 3, 2025	320.00	26,600,000
PLBRC	December 3, 2025	December 3, 2025	1,653.87	64,000,000
				₱189,794,000
December 31, 2024				
FLC	December 27, 2024	December 27, 2025	₱122.73	₱264,600,000

Material Non-controlling Interests

As at December 31, 2025 and 2024, the Group considers FECI as a subsidiary having material non-controlling interests representing 40% ownership amounting to ₱3,438.5 million and ₱3,602.3 million, respectively. In 2025, 2024 and 2023, net income allocated to non-controlling interest in FECI amounted to ₱163.8 million, ₱49.0 million and ₱209.7 million, respectively. In 2025, FECI paid dividends to non-controlling interest amounting to ₱12.5 million.

The summarized financial information of FECI as at December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024 and 2023 are as follows:

	2025	2024
Statements of Financial Position		
Current assets	₱32,563,526,493	₱27,293,925,166
Noncurrent assets	2,693,268,856	2,822,543,562
Current liabilities	29,731,432,438	24,509,786,480
Noncurrent liabilities	592,653,432	858,356,606
Equity attributable to NCI	650,239,814	693,711,013
Equity attributable to Parent Company	₱4,282,469,665	₱4,054,614,629

	2025	2024	2023
Statements of Comprehensive Income			
Revenues	₱52,178,933,766	₱47,950,748,336	₱64,068,675,477
Net income	429,774,930	152,590,442	216,898,753
Total comprehensive income	432,040,005	154,765,027	203,918,718
Statements of Cash Flows			
Operating activities	358,812,159	(4,547,187,867)	(1,936,619,212)
Investing activities	100,748,326	(189,391,024)	23,291,112
Financing activities	428,842,572	4,666,516,713	2,538,102,471
Net increase (decrease) in cash	888,403,057	(70,062,178)	624,774,371
Effects of exchange rate changes on cash and cash equivalents	(189,465)	(41,274)	(71,860)
Cash at beginning of year	1,583,800,150	1,653,903,602	1,029,201,091
Cash at end of year	₱2,472,013,742	₱1,583,800,150	₱1,653,903,602

17. Revenues

This account consists of:

	Note	2025	2024	2023
Sale of fuel		₱52,056,033,514	₱47,826,086,254	₱63,900,448,645
Sale of services:				
Rent	22	69,698,301	75,473,596	74,815,947
Port service income		53,201,951	54,035,200	98,291,834
Others		1,223,293	534,978	–
		124,123,545	130,043,774	173,107,781
		₱52,180,157,059	₱47,956,130,028	₱64,073,556,426

Disaggregation of revenues based on timing of recognition is as follows:

	Note	2025	2024	2023
Contracts with customers:				
At a point in time		₱52,056,033,514	₱47,826,086,254	₱63,900,448,645
Over a period of time		54,425,244	54,570,178	98,291,834
		52,110,458,758	47,880,656,432	63,998,740,479
Others		69,698,301	75,473,596	74,815,947
		₱52,180,157,059	₱47,956,130,028	₱64,073,556,426

18. Cost of Sales and Services

This account consists of:

	Note	2025	2024	2023
Cost of goods sold	6	₱50,031,873,376	₱46,576,445,711	₱62,190,665,808
Cost of services:				
Depreciation and amortization	11	22,195,344	22,895,562	23,487,541
Others		17,238,133	19,187,412	22,765,081
		₱50,071,306,853	₱46,618,528,685	₱62,236,918,430

19. General and Administrative Expenses

This account consists of:

	Note	2025	2024	2023
Depreciation, amortization and impairment loss	11	₱475,576,109	₱320,772,978	₱603,732,879
Personnel costs	21	271,947,538	268,288,537	255,470,086
Taxes and licenses		225,994,381	140,827,530	99,769,083
Rentals	22	182,291,226	104,536,990	90,013,824
Outside services		101,523,094	104,710,276	106,394,631
Professional fees		53,227,037	33,586,145	35,062,512
Write-off of:				
Receivable from claim for tax refund	5	31,609,189	–	–
Other current assets	7	13,328,410	–	–
Provision for ECL	5	42,935,822	18,264,348	–
Transportation and travel		38,001,760	24,973,056	68,809,387
Repairs and maintenance		37,513,533	33,052,712	53,957,809
Insurance		32,813,406	29,423,865	41,137,000
Representation		19,353,212	8,844,272	10,140,561
Utilities		13,532,548	14,092,913	–
Business support service fees	25	–	72,000,000	105,042,546
Others		47,672,748	39,450,344	43,953,268
		₱1,587,320,013	₱1,212,823,966	₱1,513,483,586

20. Other Income - Net

This account consists of:

	Note	2025	2024	2023
Income from penalty	5	₱248,402,624	₱503,865,014	₱105,548,197
Fair value adjustments:				
Investment properties	10	139,482,000	16,973,345	73,117,985
Derivative instruments	27	87,660,496	108,016,506	(93,432,781)
Gain on:				
Early settlement of installment receivable	25	151,419,268	—	—
Write-off of trade and other payables	13	12,877,792	—	—
Disposal of investment in subsidiaries	8	4,595,665	—	—
Reversal of provision for probable losses	28	—	—	39,405,712
Termination of lease	22	—	—	53,191
Management fees	25	60,000,000	—	—
Net foreign exchange changes		(8,622,576)	31,211,231	140,685,273
Others		9,747,993	2,415,953	25,652,859
		₱705,563,262	₱662,482,049	₱291,030,436

21. Personnel Costs

This account consists of:

	Note	2025	2024	2023
Salaries and wages		₱252,381,512	₱247,489,496	₱235,279,475
Retirement benefits		19,566,026	20,799,041	20,190,611
	19	₱271,947,538	₱268,288,537	₱255,470,086

Retirement Benefits

The Parent Company and FLC have funded, noncontributory defined retirement benefit plan (collectively referred herein as “the Plans”) covering all of their regular employees. The Plans are based on a certain percentage of the final monthly basic salary for every year of credited service of the employees. The benefits to be received by the employees under the Plans meet the minimum mandated benefit under Republic Act No. 7641, *The Retirement Pay Law*. Annual cost is determined by using the projected unit cost method.

The latest actuarial valuation reports of the Group were as at and for the year ended December 31, 2025.

The Group's retirement benefit plan is presented in the consolidated statements of financial position as follows:

	Note	2025	2024
Net retirement benefit asset	12	₱14,040,667	₱11,882,714
Net retirement benefit liability		(5,433,581)	(1,944,889)
		₱8,607,086	₱9,937,825

The funded status of the Group's retirement benefit plan is as follows:

	Note	2025	2024
Fair value of plan assets (FVPA)	25	₱194,223,501	₱164,338,646
Present value of defined benefit obligation (PVBO)		(184,715,004)	(153,677,164)
Effect of the asset ceiling		(901,411)	(723,657)
		₱8,607,086	₱9,937,825

The balance of and movements in net retirement benefit asset are as follows:

	2025	2024
Balance at beginning of year	₱9,937,825	₱9,370,725
Retirement benefit expense	(19,566,026)	(20,799,041)
Contributions to plan assets	21,000,000	20,691,984
Remeasurement gains (losses)	(2,764,713)	674,157
Balance at end of year	₱8,607,086	₱9,937,825

In 2023, contributions to plan assets and benefits paid from operating fund amounted to ₱28.4 million and ₱4.5 million, respectively.

Retirement Benefit Expense

The components of this account are as follows:

	2025	2024	2023
Current service cost	₱20,758,178	₱22,000,796	₱22,219,816
Net interest income	(1,236,223)	(1,233,687)	(2,173,985)
Interest on the effect of asset ceiling	44,071	31,932	144,780
	₱19,566,026	₱20,799,041	₱20,190,611

PVBO

The balance of and movements in this account are as follows:

	2025	2024
Balance at beginning of year	₱153,677,164	₱125,768,371
Current service cost	20,758,178	22,000,796
Interest expense	9,362,750	7,758,869
Actuarial losses (gains):		
Experience adjustments	3,815,491	(3,168,363)
Change in demographic assumptions	(206,297)	(876,487)
Change in financial assumptions	(980,527)	2,489,978
Benefits paid from plan assets	(1,711,755)	(296,000)
Balance at end of year	₱184,715,004	₱153,677,164

In 2023, benefits paid from plan assets and interest expense amounted to ₱4.6 million and ₱5.5 million, respectively.

The principal assumptions used in determining the PVBO are as follows:

	2025	2024
Discount rate	6.31% to 6.42%	6.09% to 6.11%
Salary increase rate	5.00% to 6.00%	5.00% to 6.00%

Sensitivity analysis on the PVBO as at December 31, 2025 and 2024 are as follows:

	Change in Assumption	2025	2024
Discount rate	+1.00%	(1,126,841)	(982,353)
	-1.00%	2,183,383	1,619,148
Salary increase rate	+1.00%	2,223,630	1,607,115
	-1.00%	(1,191,096)	(989,090)

FVPA

The balance of and movements in this account are as follows:

	2025	2024
Balance at beginning of year	₱164,338,646	₱135,664,286
Contribution to plan assets	21,000,000	20,691,984
Interest income	10,598,973	8,992,556
Benefits paid from plan assets	(1,711,755)	(296,000)
Return on plan asset	(2,363)	(714,180)
Balance at end of year	₱194,223,501	₱164,338,646

In 2023, interest income and return on plan asset amounted to ₱8.1 million and ₱3.1 million, respectively.

The major categories of Group's plan assets as a percentage of the fair value of total plan assets are as follows:

	2025	2024
Investments in government securities	56.50%	73.29%
Other securities and debt instruments	8.20%	20.18%
Investments in unit investment trust fund	32.48%	4.20%
Others	2.82%	2.33%
	100.00%	100.00%

Cumulative Remeasurement Gain (Loss) on Net Retirement Benefit Liability

In 2025 and 2023, the Group recognized remeasurement loss on net retirement benefit liability amounting to ₱2.1 million and ₱13.4 million, respectively. In 2024, the Group recognized remeasurement gain on net retirement benefit liability amounting to ₱0.2 million (see Note 15).

Risks Associated with the Retirement Plan

The plan exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment and Interest Rate Risks. The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the Plan's investments in debt securities, and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has relatively balanced investments in cash and cash equivalents, equity and debt securities. Due to the long-term nature of the plan obligation, diversifying its investments is an appropriate element of the Group's long-term strategy to manage the plan efficiently.

Longevity and Salary Risks. The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

Funding Arrangements and Expected Contributions

The Group is not required to pre-fund the future defined benefits payable under the retirement plan before they become due. For this reason, the amount and timing of contributions to the retirement fund to support the defined benefits are at the Group's discretion. However, in the event a defined benefit claim arises, and the retirement fund is insufficient to pay the claim, the shortfall will then be due and payable from the Group to the retirement fund. The Group expects to contribute ₱23.1 million to the fund in 2026.

As at December 31, 2025, the maturity analysis of the undiscounted net retirement benefit liability is as follows:

Within one (1) year	₱91,486,069
More than one (1) year to five (5) years	49,093,522
More than five (5) years to 10 years	81,671,845
More than 10 years to 15 years	22,881,090
More than 15 years to 20 years	30,757,299
More than 20 years to 25 years	22,688,784
	₱298,578,609

The average duration of the retirement benefit liability as at December 31, 2025 is approximately 10.57 years.

22. Leases

Group as a Lessee

The Group entered into various lease agreements for the use of land, depot and plant facilities, service vehicles and office spaces. The terms of the agreements range from one (1) year to 25 years, contain either a regular escalation rate or a fixed rent provision until the end of lease term, and renewal options, subject to the approval of both parties.

The lease-related expenses (income) and total cash outflows recognized in the consolidated financial statements are as follows:

	Note	2025	2024	2023
Rent expense	19	₱182,291,226	₱104,536,990	₱90,013,824
Amortization of ROU assets	11	58,334,164	144,656,759	228,559,249
Interest expense	14	23,879,152	23,590,799	31,888,809
Gain on termination of lease	20	-	-	(53,191)
Lease-related expenses		264,504,542	272,784,548	₱350,408,691
Total cash outflows		₱254,742,688	₱260,801,068	₱313,496,280

ROU Assets

The balances of and movements in this account are as follows:

	2025			
	Depot and Plant Facilities	Land	Others	Total
Cost				
Balances at beginning of year	₱815,013,588	₱95,600,664	₱190,179,355	₱1,100,793,607
Additions	299,145,660	231,155,883	448,529	530,750,072
Derecognition	(186,642,481)	-	(4,776,037)	(191,418,518)
Effect of lease modification	-	-	(98,027,388)	(98,027,388)
Balances at end of year	927,516,767	326,756,547	87,824,459	1,342,097,773
Accumulated Amortization				
Balances at beginning of year	739,388,366	(50,795,305)	61,760,170	750,353,231
Derecognition	(186,642,481)	-	(4,776,037)	(191,418,518)
Amortization	20,837,654	16,634,338	20,862,172	58,334,164
Balances at end of year	573,583,539	(34,160,967)	77,846,305	617,268,877
Carrying Amounts	₱353,933,228	₱360,917,514	₱9,978,154	₱724,828,896

	2024			
	Depot Facilities	Land	Others	Total
Cost				
Balances at beginning of year	₱815,013,588	₱190,085,451	₱190,179,355	₱1,195,278,394
Additions	-	1,875,436	-	1,875,436
Effect of lease modification	-	(47,785,698)	-	(47,785,698)
Derecognition	-	(48,574,525)	-	(48,574,525)
Balances at end of year	815,013,588	95,600,664	190,179,355	1,100,793,607
Accumulated Amortization				
Balances at beginning of year	739,388,366	67,350,193	61,760,170	868,498,729
Amortization	-	144,656,759	-	144,656,759
Derecognition	-	(262,802,257)	-	(262,802,257)
Balances at end of year	739,388,366	(50,795,305)	61,760,170	750,353,231
Carrying Amounts	₱75,625,222	₱146,395,969	₱128,419,185	₱350,440,376

Additions to ROU assets and lease liabilities in 2025 and 2024 amounting to ₱491.0 million and ₱1.9 million, respectively, were considered as noncash financial information in the consolidated statements of cash flows.

Further, in 2025, additions to ROU assets include payments of advance rent amounting to ₱39.8 million.

Lease Liabilities

The balances of and movements in this account are as follows (see Note 30):

	2025	2024
Balance at beginning of year	₱343,993,979	₱522,577,520
Additions	490,993,179	1,875,436
Effect of lease modifications	(98,027,388)	(47,785,698)
Payments	(72,451,462)	(156,264,078)
Interest expense	23,879,152	23,590,799
Balance at end of year	₱688,387,460	₱343,993,979

This account is presented in the consolidated statements of financial position as follows:

	2025	2024
Current	₱53,466,905	₱40,627,540
Noncurrent	634,920,555	303,366,439
	₱688,387,460	₱343,993,979

Future minimum rental payments under existing non-cancellable lease payments as at December 31, 2025 are as follows:

2026	₱110,856,025
2027	106,812,667
2028	105,946,744
2029	100,985,452
2030	72,515,075
After 2030	512,024,659
	₱1,009,140,622

Rent Expenses

The Group has certain short-term, low value leases and leases with variable rates of which the Group applies the exemption to recognize ROU assets and lease liabilities for these leases. Details of rent expense recognized in the consolidated statements of comprehensive income are as follows:

	Note	2025	2024	2023
Variable		₱169,858,542	₱98,955,668	₱85,325,028
Short-term		12,432,684	5,581,322	4,688,796
	19	₱182,291,226	₱104,536,990	₱90,013,824

Refundable Deposits

The Group's refundable deposits, which are to be refunded at the end of the lease term, are presented in the consolidated statements of financial position as follows:

	Note	2025	2024
Current	7	₱945,000	₱25,000,000
Noncurrent	12	41,854,335	22,236,963
		₱42,799,335	₱47,236,963

Group as Lessor

The Group entered into various operating lease agreements to for the use of the Group's land classified under "Investment properties" account. The terms of the agreement range from one (1) to 10 years, contain either a regular escalation rate or a fixed rent provision until the end of lease term, and renewal options, subject to the approval of both parties.

Rent revenues recognized by the Group amounted to ₱69.7 million, ₱75.5 million, and ₱74.8 million in 2025, 2024, and 2023, respectively (see Note 17).

The Group's future minimum rental receivables under fixed non-cancellable operating leases as at December 31, 2025 are as follows:

2026	₱22,038,784
2027	20,651,600
2028	18,612,915
2029	12,288,546
2030	11,330,791
After 2030	455,099,467
	<u>₱540,022,103</u>

23. Income Taxes

The components of the Group's income tax expense (benefit) as reported in the consolidated statements of comprehensive income are as follows:

	Note	2025	2024	2023
Reported in Profit or Loss				
Current tax		₱81,657,267	₱32,671,718	₱78,133,216
Deferred tax		(63,539,082)	(117,493,307)	(64,424,567)
		<u>₱18,118,185</u>	<u>(₱84,821,589)</u>	<u>₱13,708,649</u>
Deferred Tax Reported in OCI				
Revaluation surplus	15	₱8,220,195	₱-	₱-
Remeasurement losses (gains) on net retirement benefit asset	15	(643,652)	481,740	(109,495)
		<u>₱7,576,543</u>	<u>₱481,740</u>	<u>(₱109,495)</u>

The Group's net deferred tax liabilities are presented in the consolidated statements of financial position as follows:

	2025	2024
Net deferred tax assets	₱12,785,615	₱-
Net deferred tax liabilities	570,850,878	614,027,802
Net amount	<u>₱558,065,263</u>	<u>₱614,027,802</u>

The components of the Group's net deferred tax liabilities are as follows:

	2025	2024
Deferred tax assets:		
Allowance for impairment loss on property and equipment	₱74,724,007	₱-
NOLCO	6,683,683	19,713,062
Allowance for ECL on trade and other receivables	6,530,064	3,948,736
Unrealized foreign exchange losses	5,762,687	-
Lease liabilities over ROU assets	4,288,497	1,611,599
Derivative liability	-	12,560,496
Excess of MCIT over RCIT	-	5,326,751
Others	2,080,113	12,102,126
	100,069,051	55,262,770
Deferred tax liabilities:		
Fair value adjustments in property and equipment arising from business combination	636,043,198	657,840,797
Derivative assets	9,354,628	-
Revaluation Surplus	8,220,195	-
Net retirement plan assets	3,510,167	2,970,678
Unrealized foreign exchange gain	1,006,126	8,479,097
	658,134,314	669,290,572
	₱558,065,263	₱614,027,802

The details of the Group's unrecognized deferred tax assets, of which the management has assessed that there may be no sufficient future taxable income against the benefits of the deductible temporary differences and carryforward benefits can be utilized, are as follows:

	2025	2024
NOLCO	₱70,149,512	₱51,727,609
Lease liabilities over ROU assets	4,821,862	-
Unamortized past service cost	2,905,189	3,487,205
Allowance for ECL on trade receivables	5,831,646	3,178,457
Unrealized foreign exchange loss	1,072,496	2,436,200
Excess of MCIT over RCIT	1,633,442	1,478,829
Net retirement liability	1,358,395	486,222
	₱87,772,542	₱62,794,522

Details of the Group's NOLCO as at December 31, 2025 are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2025	₱87,521,372	₱-	₱-	₱87,521,372	2028
2024	114,915,631	4,441,063	-	110,474,568	2027
2023	59,521,162	-	-	59,521,162	2026
2022	22,606,763	-	22,606,763	-	2025
2021	49,815,676	-	-	49,815,676	2026
2020	38,903,452	-	38,903,452	-	2025
	₱373,284,056	₱4,441,063	₱61,510,215	₱307,332,778	

Under Revenue Regulations No. 25-2020, net operating loss incurred for the taxable years 2020 and 2021 will be carried over for the next five (5) consecutive taxable years immediately following the year such loss was incurred.

Details of the Group's excess of MCIT over RCIT as at December 31, 2025 are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2025	₱918,817	₱-	₱-	₱918,817	2028
2024	5,664,185	5,326,751	-	337,434	2027
2023	377,191	-	-	377,191	2026
2022	764,204	-	764,204	-	2025
	₱7,724,397	₱5,326,751	₱764,204	₱1,633,442	

The reconciliation of income tax expense (benefit) between statutory income tax rate and effective income tax rate is as follows:

	2025	2024	2023
At statutory income tax rate	₱50,854,324	(₱14,044,925)	₱28,325,038
Tax effects of:			
Income subjected to final tax	(2,068,815)	(4,146,677)	(3,255,409)
Nondeductible expenses	26,065,191	4,852,666	5,333,210
Nontaxable income	(96,376,606)	(30,996,724)	(47,911,307)
Recognition (reversal) of deferred tax assets	(1,285,583)	(54,432,571)	21,868,627
Change in unrecognized deferred tax assets	24,787,916	13,631,148	8,769,517
Expired NOLCO	15,377,554	-	-
Expired excess of MCIT over RCIT	764,204	315,494	578,973
At effective income tax rate	₱18,118,185	(₱84,821,589)	₱13,708,649

24. Basic and Diluted Income (Loss) per Share

The following reflects the income (loss) and share data used in the basic and diluted income (loss) per share computation:

	2025	2024	2023
Net income (loss) attributable to shareholders of the Parent Company	₱38,628,374	(₱19,901,916)	₱42,693,877
Divided by: Weighted average number of outstanding shares	14,659,643,064	14,650,643,064	14,650,643,064
Basic and diluted income (loss) per share	₱0.003	(₱0.001)	₱0.003

There have been no other transactions involving common shares or potential common shares between the end of financial reporting period and the date of issuance of these consolidated financial statements. There are no potential dilutive shares as of December 31, 2025, 2024 and 2023.

25. Related Party Transactions

In the normal course of business, the following table summarizes the related party transactions of the Group:

Nature of Relationship	Nature of Transaction	Amount of Transaction			Outstanding Balance	
		2025	2024	2023	2025	2024
Trade Receivables (see Note 5)						
Entity under common control	Sale of fuel	₱8,626,178,007	₱13,168,129,860	₱20,942,915,755	₱10,599,723,620	₱10,017,838,455
	Rent income	8,990,939	8,990,939	8,990,939	2,551,211	75,197
	Income from penalty	-	257,335,304	12,305,362	-	-
		8,635,168,946	13,434,456,103	20,964,212,056	10,602,274,831	10,017,913,652
Less allowance for ECL		-	-	-	649,265	1,959,362
					₱10,601,625,566	₱10,015,954,290
Installment Receivable (see Note 5)						
Entity under common control	Sale of investment in associate	₱-	₱-	₱-	₱-	₱1,231,576,490
	Interest income	79,219,441	99,529,598	109,435,006	-	(230,638,709)
					₱-	₱1,000,937,781
Advances to Related Parties (see Note 5)						
Entity under common control	To finance long-term investments	₱249,146,809	₱431,867,563	₱328,378,948	₱1,224,973,494	₱1,062,729,170
Associates	Working capital advances	103,236	1,492,401	1,389,165	1,492,401	1,389,165
	Arising from deconsolidation (see Note 8)	51,570,045	-	-	-	-
Joint venture	Working capital advances	1,196,717	-	-	38,116	-
					₱1,226,504,011	₱1,064,118,335
Notes Receivable (see Note 5)						
Entity under common control	To finance long-term investments	₱-	₱-	₱-	₱521,224,038	₱521,224,038
Interest Receivable						
Entity under common control	Interest income	₱15,636,721	₱15,636,721	₱15,636,721	₱69,272,815	₱53,636,094
Nontrade Receivable (see Note 5)						
Associate	Management fees	₱67,200,000	₱-	₱-	₱67,200,000	₱-

Nature of Relationship	Nature of Transaction	Amount of Transaction			Outstanding Balance	
		2025	2024	2023	2025	2024
Advances for Future Stock Subscription (see Note 9)						
Joint venture	Deposit for future stock subscriptions	₱47,187,167	P-	P-	₱47,187,167	P-
Trade Payables (see Note 13)						
Associate	Purchase of fuel	₱12,285,391,256	₱6,057,230,372	₱7,902,099,353	₱4,883,193,319	₱288,376,730
Joint Ventures	Utilities	3,928,743	2,550,767	3,953,996	109,527	98,000
	Repairs and maintenance	25,000,000	25,000,000	25,000,000	-	-
Entity under common control	Repairs and maintenance	84,500	-	-	84,500	-
					₱4,883,387,346	₱288,474,730
Advances from Related Parties (see Note 13)						
Associates	Working capital advances	₱15,477,496	P-	P-	₱15,477,496	P-
Entity under common control	Assignment	-	-	-	-	542,527,252
					₱15,477,496	₱542,527,252
Dividends Payable						
Entity under common control	Dividends declared	₱125,794,000	₱264,600,000	P-	₱38,944,000	₱264,600,000
	Assignment	-	-	-	-	273,420,000
					₱38,944,000	₱538,020,000
Other Payables						
Entity under common control	Business support services	P-	₱72,000,000	₱105,042,546	₱3,403,102	₱3,403,102
	Purchase of assets	-	-	758,929	1,945,779	1,945,779
	Rentals	2,560,000	-	810,000	810,000	-
Ultimate Parent Company	Rentals	984,560	-	-	-	-
					₱6,158,881	₱5,348,881
Borrowings (see Note 14)						
Entity under common control	Capital expenditures	P-	P-	P-	P-	₱451,909,360
Lease Liabilities						
Entity under common control	Lease payments	₱240,000	P-	P-	₱230,913	P-
Retirement Benefit Plans (see Note 21)						
	Contribution	₱21,000,000	₱20,691,984	₱28,377,358	₱194,223,501	₱164,338,646
Key Management Personnel						
	Salaries and wages	₱111,990,745	₱100,194,589	₱99,604,802	₱36,659	₱36,659
	Retirement benefits	15,199,316	14,420,962	14,604,411	14,712,025	12,226,966
					₱14,748,684	₱12,263,625

All related party transactions are in compliance with the related party transactions policy of the Group including the required approval process. This includes review of the related party committee and approval of the BOD for transactions exceeding certain thresholds and approval criteria.

Trade Receivables

Trade receivables with TEC, arising from sale of fuel, are noninterest-bearing and generally subject to credit terms ranging from 15 to 240 days.

In 2024, the Ultimate Parent Company, through a related party, effectively acquired 100% ownership over TEC from its third-party joint venture partner, thereby obtaining control over TEC's business operations.

In March 2026, the Group approved the conversion of its trade receivables from TEC amounting to ₱5,000.0 million to advances for future stock subscriptions in line with the Group's future plans and strategies for TEC's business operations as distributor of petroleum products.

Trade receivables with TEC, arising from rent, are noninterest bearing and generally subject to credit terms of 30 days.

Advances and Borrowing from TEC

The Group was extended a standby credit facility by TEC for a maximum amount of ₱1,045.0 million. The facility was available for an initial period of 18 months and renewable for the same terms as agreed upon by the parties. The loans bear interest at rates computed on the basis of 91-day treasury bill rate plus a specified margin. In July 2022, the Group temporarily cancelled the billing of interest. As at December 31, 2024, the outstanding balance of the Group's borrowings with TPC amounted to ₱451.9 million.

Further, the Group has outstanding advances from TEC amounting to ₱542.5 million as at December 31, 2024. These advances, which include accumulate accrued interest on borrowings prior July 2022, and advances obtained by virtue of a transfer agreement dated March 29, 2016 between the Group and TPC for the acquisition of depot facilities.

On December 7, 2025, TEC, by virtue of a Deed of Assignment, assigned the advances and borrowings from FPC, an affiliate amounting to ₱542.5 million and ₱451.9 million, respectively. Following the execution of the Deed of Assignment, the Group recognized total payables to FPC amounting to ₱994.4 million.

On the same date, the Group entered into an offsetting arrangement with FPC whereby the assigned total payables amounting to ₱994.4 million were applied against the following receivables of the Group from FPC:

	Note	Amount
Installment receivables	5	₱983,503,544
Advances to a related party		10,933,068
		<u>₱994,436,612</u>

These transactions are considered as noncash financial information in the consolidated statements of cash flows for the year ended December 31, 2025.

Advances to Related Parties

This account is unsecured, noninterest-bearing and collectible on demand.

Note Receivables and Interest Receivables from Related Parties

Note and interest receivables are unsecured, collectible either on demand or through equal monthly installments, and bear interest rates of 3.00% in 2025, 2024 and 2023.

Nontrade Receivable

In 2025, the Group entered into an agreement (the Agreement) providing management services to its associate for procurement, importation, supply chain, and distribution of petroleum products. The Agreement provides for fixed monthly management fees for one year and is automatically renewable unless terminated by both parties. Management fees earned under the Agreement are recognized under "Other income - net" in the consolidated statements of comprehensive income. Uncollected management fees are recognized as nontrade receivables.

Advances for Future Stock Subscription

This account is unsecured, noninterest-bearing and will be applied as subscription to the investee.

Trade Payables

This account is unsecured, noninterest-bearing and payable within four months.

Advances from Other Related Parties

This account is unsecured, noninterest-bearing and payable on demand.

Dividends Payable

This account consists of unpaid portions of the dividends declared by subsidiaries to the related party non-controlling interests, which are normally settled within one year.

Accrued Expenses and Other Payables

This account is unsecured, noninterest-bearing and generally payable within one year.

26. Fair Value Measurement

The following tables present the carrying amounts and fair values of the Group's assets and liabilities, measured at fair value and for which fair values are disclosed, and the corresponding fair value hierarchy:

						2025					
						Fair Value					
						Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)			
	Note	Carrying Amount									
Assets Measured at Fair Value											
Investment properties	10	P1,258,460,102	P-	P-	P1,258,460,102						
Derivative assets	27	37,418,512	-	37,418,512	-						
Financial assets at FVOCI	12	17,208,467	17,208,467	-	-						
		P1,313,087,081	P17,208,467	P37,418,512	P1,258,460,102						
Assets for which Fair Value is Disclosed											
Refundable deposits	22	P42,799,335	P-	P-	P40,261,334						
Liability for which the Fair Value is Disclosed											
Borrowings	14	P18,100,333,204	P-	P18,108,436,626	P-						
						2024					
						Fair Value					
						Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)			
	Note	Carrying Amount									
Assets Measured at Fair Value											
Investment properties	10	P359,834,102	P-	P-	P359,834,102						
Financial assets at FVOCI	12	15,161,108	15,161,108	-	-						
		P374,995,210	P15,161,108	P-	P359,834,102						
Assets for which Fair Value is Disclosed											
Installment receivable	25	P1,000,937,781	P-	P-	P966,732,163						
Refundable deposits	22	47,236,963	-	-	35,371,892						
Long-term placements	12	19,058,742	-	-	15,617,193						
		P1,067,233,486	P-	P-	P1,017,721,248						
Liability Measured at Fair Value											
Derivative Liabilities	27	P50,241,984	P-	P50,241,984	P-						
Liability for which the Fair Value is Disclosed											
Borrowings	14	P16,207,085,126	P-	P16,216,927,283	P-						

There were no transfers between Level 1, Level 2, and Level 3 fair value hierarchy measurements in 2025 and 2024.

Investment Properties

The fair values were estimated by an independent appraiser using the market data approach which involves the comparison of the properties to those that are more or less located within the vicinity of the appraised properties and are subject of recent sales and offerings. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element. The latest appraisal reports were dated October 14, 2025, October 17, 2025, October 24, 2025 and December 31, 2025.

The significant unobservable inputs used in the fair valuation are as follows:

	2025	2024
Price per square meter	₱90 to ₱550,000	₱98 to ₱14,634
Value adjustments	-10% to -45%	-20% to -30%

The estimated fair value would increase (decrease) if the prices per square meter were higher (lower) and the value adjustments were higher (lower).

The Group has determined that the highest and best use of these properties as at December 31, 2025 and 2024 would be to hold for capital appreciation.

Installment Receivables

The fair values were determined using the present value of the expected future cash flows discounted using the prevailing market rates of interest for instruments with similar maturities.

Borrowings

The fair values were determined using the present values of the expected future cash flows discounted using the prevailing market rates of interest for instruments with similar maturities.

Derivative Assets and Liabilities

The fair values were determined using the present value of the expected future cash flows based on projected exchange rates for contracts with similar maturity profiles.

Other Financial Assets and Liabilities

The table below presents the Group's financial assets and liabilities whose carrying amounts approximate their fair values due to their short-term nature or the effect of discounting is not significant as at December 31, 2025 and 2024:

	2025	2024
Financial assets at amortized cost:		
Cash and cash equivalents	₱2,506,849,701	₱1,664,685,320
Trade and other receivables*	21,423,775,620	19,025,436,828
	23,930,625,321	20,690,122,148
Financial liability at amortized cost -		
Trade and other payables**	₱11,636,914,155	₱8,671,642,645

*Excluding current portion of installment receivables amounting to ₱248.1 million as at December 31, 2024.

**Excluding statutory payables amounting to ₱23.7 million and ₱48.9 million as at December 31, 2025 and 2024, respectively.

27. Financial Risk Management Objectives and Policies

The Parent Company's BOD has overall responsibility for overseeing the Group's risk management policies and procedures. To support this role, the BOD has established a Risk Committee that assists in monitoring and evaluating the Group's risk management framework and related processes. The Risk Committee also oversees Management's activities in identifying, managing, and mitigating the Group's key financial risks arising from its financial instruments, including credit, market and liquidity risks.

The Group's financial instruments include cash and cash equivalents, trade and other receivables, refundable deposits, long-term placements and trade and other payables (excluding nonfinancial liabilities), borrowings, derivative liabilities and lease liabilities.

Credit Risk

The Group's exposure to credit risk arises from the potential failure of counterparties to fulfill their financial obligations to the Group in accordance with the contractual terms on its financial assets at amortized cost.

The carrying amounts of these trade and other receivables, refundable deposits, and long-term placements represent the Group's maximum exposure to credit risk. The Group has a significant concentration of credit risk with one related party, which accounts for 37% and 31% of the total outstanding financial assets at amortized cost as at December 31, 2025 and 2024, respectively.

Summary of the Group's exposure to credit risk and the corresponding allowance for ECL are as follows:

	2025			
	12-month ECL	Lifetime ECL		Total
		- Not Credit Impaired	- Credit Impaired	
Cash in banks and cash equivalents	₱2,506,195,836	₱-	₱-	₱2,506,195,836
Trade and other receivables	3,311,496,176	18,161,726,284	-	21,473,222,460
Refundable deposits	42,799,335	-	-	42,799,335
Short-term placements	13,258,639	-	-	13,258,639
Gross amounts	5,873,749,986	18,161,726,284	-	24,035,476,270
Less allowance for ECL	(23,326,584)	(26,120,256)	-	(49,446,840)
Carrying amounts	₱5,850,423,402	₱18,135,606,028	₱-	₱23,986,029,430

	2024			
	12-month ECL	Lifetime ECL		Total
		- Not Credit Impaired	- Credit Impaired	
Cash in banks and cash equivalents	₱1,664,076,497	₱-	₱-	₱1,664,076,497
Trade and other receivables	2,973,287,726	16,328,730,820	-	19,302,018,546
Refundable deposits	47,236,963	-	-	47,236,963
Long-term placements	19,058,742	-	-	19,058,742
Gross amounts	4,703,659,928	16,328,730,820	-	21,032,390,748
Less allowance for ECL	(12,713,827)	(15,794,945)	-	(28,508,772)
Carrying amounts	₱4,690,946,101	₱16,312,935,875	₱-	₱21,003,881,976

Trade Receivables

The Group has established a credit policy for its trade receivables, under which each new customer is individually assessed for creditworthiness before the Group extends standard payment and delivery terms and conditions. The credit evaluation process considers external credit ratings, financial statements, reports from credit agencies, industry data, and, when applicable, bank references. Credit limits are set for each customer and are reviewed periodically. Any credit sales that exceed these established limits require specific approval from senior management.

ECL on trade receivables are measured at each reporting date using a provision matrix. The provision rates are determined based on the number of days past due across various customer segments, which are analyzed by customer type, credit terms, and any offsetting arrangements. These historical loss rates are then adjusted for forward-looking information by identifying economic factors that are closely correlated with default risk for each customer segment. Historical default rates are updated at each reporting date, and changes in forward-looking estimates are assessed and reflected in the provision matrix.

The Group does not hold any collateral or other credit enhancements as security for its trade receivables, except for trade receivables amounting to ₱471.5 million and ₱527.9 million as at December 31, 2025 and 2024, that are fully-secured by a chattel mortgage of shares of stocks.

Details of the Group's credit risk exposure on trade receivables using a provision matrix are as follows:

	2025				
	Current	< 30 days	30-60 days	60-90 days	>91 days
Average loss rate	0%	0%	0%	0%	1%
Estimated total gross amount at default	₱10,210,007,310	₱1,570,116,773	₱1,808,899,127	₱1,413,866,707	₱3,158,836,368
ECL	₱6,374,465	₱211,208	₱538,270	₱360,188	₱40,633,878

	2024				
	Current	< 30 days	30-60 days	60-90 days	>91 days
Average loss rate	0%	0%	0%	0%	9%
Estimated total gross amount at default	₱14,469,852,837	₱833,235,402	₱816,456,534	₱109,253,416	₱99,932,631
ECL	₱7,156,399	₱-	₱-	₱-	₱8,638,546

Other Financial Assets at Amortized Cost

The Group implements a comprehensive credit grading system that evaluates counterparties based on both financial and non-financial factors. Financial considerations include the counterparty's financial condition, while non-financial factors cover the nature of business, management profile, industry background, payment history, and the overall relationship with the Group. The Group's credit grades are defined as follows:

High Grade. This category includes accounts with a very low probability of default, supported by the counterparty's strong track record of stability, profitability, and business diversification. This grade includes cash and cash equivalents, and money market placements.

Standard Grade. This category includes accounts with satisfactory financial capacity and credit standing, based on historical data, current conditions, and the Group's forward-looking assessments over the expected life of the receivable. While generally sound, these accounts may require certain monitoring controls to mitigate potential default risk. This grade includes advances to related parties, portion of notes receivable, installment receivables, and other receivables.

Substandard Grade. This grade is assigned to accounts with a known history of defaults and a high probability of future delinquency. This grade includes portion of notes receivable.

Liquidity Risk

Liquidity risk refers to the possibility that the Group may encounter difficulty in obtaining sufficient funds to meet its financial obligations as they fall due, and at a reasonable cost. The Group's objective of liquidity risk management is to ensure that adequate financial resources are available at all times, enabling it to meet commitments promptly without incurring unnecessary costs, while maintaining access to funding at the lowest possible cost.

To manage this risk and maintain sufficient liquidity, the Group regularly monitors its cash inflows and outflows by preparing cash position reports that track actual and projected cash flows for the succeeding month.

The table below summarizes the maturity profile of the Group's financial liabilities as at December 31, 2025 and 2024 based on contractual undiscounted payments.

	2025				Total
	1 to 3 Months	>3 to 12 Months	>1 Year to 5 Years	More than 5 Years	
Non-derivative Financial Liabilities					
Trade and other payables*	₱11,532,299,784	₱64,775,126	₱39,839,245	₱-	₱11,636,914,155
Lease liabilities**	26,829,348	84,026,677	398,050,819	500,233,778	1,009,140,622
Borrowings	14,471,982,398	3,566,409,736	65,164,652	23,702,786	18,127,259,572
	₱26,031,111,530	₱3,715,211,539	₱503,054,716	₱523,936,564	₱30,773,314,349
Derivative Financial Instruments					
Inflows	₱37,418,512	₱-	₱-	₱-	₱37,418,512
Outflows	-	-	-	-	-
Net	₱37,418,512	₱-	₱-	₱-	₱37,418,512

*Excluding nonfinancial liabilities amounting to ₱23.7 million as at December 31, 2025.

**Including future interest expense.

	2024				Total
	1 to 3 Months	>3 to 12 Months	>1 Year to 5 Years	More than 5 Years	
Non-derivative Financial Liabilities					
Trade and other payables*	₱7,428,894,811	₱1,242,747,834	₱-	₱-	₱8,671,642,645
Lease liabilities**	13,363,295	52,890,072	179,365,572	215,912,454	461,531,393
Borrowings	13,797,032,850	1,889,103,530	62,011,332	44,287,363	15,792,435,075
	₱21,239,290,956	₱3,184,741,436	₱241,376,904	₱260,199,817	₱24,925,609,113
Derivative Financial Instruments					
Inflows	₱-	₱-	₱-	₱-	₱-
Outflows	50,241,984	-	-	-	50,241,984
Net	₱50,241,984	₱-	₱-	₱-	₱50,241,984

*Excluding nonfinancial liabilities amounting to ₱48.9 million as at December 31, 2024.

**Including future interest expense.

The derivative financial instruments presented above reflect the gross undiscounted cash flows, which may be settled on either a gross or net basis.

Market Risks

Market risks, including foreign currency risk, equity price risk and interest rate risk, are the risks that changes in market prices will affect the Group's income or the value of its holdings of financial instruments. The Group's objective of market risk management is to manage and control exposures within acceptable parameters while optimizing the returns.

Foreign Currency Risk

The Group is exposed to transactional foreign currency risks arising from monetary financial instruments denominated in United States Dollar (USD) and Indonesian Rupiah (IDR). The Group's foreign currency risk exposure primarily relates to USD-denominated purchases of fuel. To manage this risk, the Group enters into foreign currency forward contracts and maintains an appropriate level of USD-denominated assets and liabilities within acceptable limits throughout the year.

The following table shows the Group's foreign currency-denominated monetary financial assets and liabilities, and their Philippine Peso equivalents:

	2025			
	USD	Peso	IDR	Peso
Financial assets:				
Cash and cash equivalents	\$2,588	P152,149	IDR 16,428,061	P57,498
Nontrade receivables	-	-	130,323,154	456,131
Financial liability -				
Trade payables	(169,033,505)	(9,937,479,759)	(1,020,414,570)	(3,571,451)
	(169,030,917)	(9,937,327,610)	(873,663,355)	(3,057,822)
Less forward exchange contracts	-	37,418,512	-	-
Net exposure	(\$169,030,917)	(P9,899,909,098)	(IDR 873,663,355)	(P3,057,822)
	2024			
	USD	Peso	IDR	Peso
Financial assets:				
Cash and cash equivalents	\$2,604	P150,641	IDR 16,337,678	P58,816
Nontrade receivables	-	-	125,892,500	453,213
Financial liability -				
Trade payables	(75,861,803)	(4,388,605,304)	(1,020,414,570)	(3,673,492)
	(75,859,199)	(4,388,454,663)	(878,184,392)	(3,161,464)
Less forward exchange contracts	-	(50,241,984)	-	-
Net exposure	(\$75,859,199)	(P4,438,696,647)	(IDR 878,184,392)	(P3,161,464)

For purposes of translating the foreign-currency-denominated monetary assets and liabilities as of December 31, the exchange rates against Peso applied were as follows:

	2025	2024
USD	P58.79	P57.85
IDR	0.0035	0.0036

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates, with all other variables held constant, of the Group's income before tax and equity in 2025 and 2024:

	USD		
	Increase (Decrease) in Exchange Rates	Effect on Income Before Tax	Effect on Equity
2025	1.03	(P174,101,845)	(P130,576,383)
	(1.03)	174,101,845	130,576,383
2024	1.14	(86,479,487)	(64,859,615)
	(1.14)	86,479,487	64,859,615

	IDR		
	Increase (Decrease) in Exchange Rates	Effect on Income Before Tax	Effect on Equity
2025	0.000065 (0.000065)	(P56,808) 56,808	(P42,606) 42,606
2024	0.000059 (0.000059)	(51,536) 51,536	(38,652) 38,652

The Group enters into foreign exchange forward contracts to manage its foreign currency risk on its US Dollar-denominated trade payables, whereby the Group purchases certain amount of US Dollars at a fixed forward rate to facilitate the settlement of the Group's foreign-currency denominated fuel purchases.

Derivative assets as at December 31, 2025 and derivative liabilities as at December 31, 2024, arising from outstanding foreign exchange forward contracts, amounted to P20.5 million and P27.9 million, respectively.

Commodity Price Risk. Commodity price risk is the risk that future cash flows from a financial instrument will fluctuate because of changes in market prices of commodities. The Group's commodity price risk results primarily from fluctuations of the commodity prices of fuel purchases from the date of delivery until the date of agreed price setting with the suppliers. The Group manages its commodity price risk on its fuel purchases by considering the agreed price with the suppliers in its price build-up for its fuel sale transactions.

Derivative assets as at December 31, 2025 and derivative liabilities as at December 31, 2024, which is embedded in outstanding fuel purchase contracts, amounted to P16.9 million and P22.3 million, respectively.

The following table demonstrates the sensitivity of income before income tax and equity for the year ended December 31, 2025 due to a reasonably possible change in commodity prices of fuel purchases, with all other variables held constant.

	Increase (Decrease)	Effect on Income Before Tax	Effect on Equity
	2025	17.40% (17.40%)	P250,381,497 (250,381,497)
2024	16.37% (16.37%)	P153,163,326 (153,163,326)	P114,872,494 (114,872,494)

Interest rate risk. The Group's exposure to the risk of changes in market interest rates is minimal since the Group's interest-bearing financial assets consist primarily of notes receivable and long-term placements which have fixed interest rates. The Group also has short-term loan arrangements with its creditors which bear annual interest rates ranging from 6.5% to 7.8% and 6.9% to 7.8% in 2025 and 2024, respectively.

The Group regularly monitors interest rate movements and on the basis of current and projected economic and monetary data, decides on the best alternative to take. No sensitivity analysis is needed as future interest rate changes are not expected to significantly affect the Group's consolidated net income.

Derivative Assets (Liabilities)

This account consists of:

	Note	Foreign Exchange Forward Contracts	Embedded Derivatives on Fuel Purchases	Total
2025				
Balances at beginning of year		(P27,903,937)	(P22,338,047)	(P50,241,984)
Fair value adjustments:				
Unrealized		20,525,131	16,893,381	37,418,512
Realized		27,903,937	22,338,047	50,241,984
	20	48,429,068	39,231,428	87,660,496
Balance at end of year		P20,525,131	P16,893,381	P37,418,512
2024				
Balances at beginning of year		(P154,299,910)	(P3,958,580)	(P158,258,490)
Fair value adjustments:				
Unrealized		(27,903,937)	(22,338,047)	(50,241,984)
Realized		154,299,910	3,958,580	158,258,490
	20	126,395,973	(18,379,467)	108,016,506
Balance at end of year		(P27,903,937)	(P22,338,047)	(P50,241,984)

In 2023, unrealized loss on derivative instruments amounted to P93.4 million (see Note 20).

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains strong and healthy financial position to drive its expansion and growth in the future.

The Group considers its capital stock and additional paid-in capital aggregating to P4,037.2 million as at December 31, 2025 and 2024 as its capital employed. The Group manages the capital structure and will make adjustments when there are changes in the economic conditions, business activities, expense programs and the risk characteristics of underlying assets. No changes were made in the objectives, policies or in 2025 and 2024.

The Group is not subject to externally-imposed capital requirements.

28. Provisions and Contingencies

Arbitration Before the ICC Arbitral Tribunal in Singapore

In December 2022, the Group commenced arbitration proceedings before the ICC Arbitral Tribunal in Singapore in relation to the deed of assignment of lease contract with its related party and the original lease agreement. In May 2025, the ICC Arbitral Tribunal rendered its ruling in favor of the Group.

Following the issuance of the Final Award, the Group initiated the appropriate judicial and procedural steps to secure recognition, enforcement, and implementation of the arbitral ruling, as well as to align related court proceedings with the outcome of the arbitration. Certain interim rulings were issued on procedural grounds, without prejudice to the Group's continuing right to pursue the appropriate remedies available under applicable law.

As of February 11, 2026, the Group, together with external legal counsel, continues to actively pursue the available legal and procedural remedies to enforce the Final Award and protect its rights and interests in the related proceedings.

Based on management's assessment and the advice of external legal counsel, these matters are not expected to result in a material adverse effect on the Group's financial position or results of operations, as it has been clearly conveyed by handling counsels that all legal matters are currently ongoing and the Group intends to pursue and exhaust all legal remedies available to it to enforce its rights and interest, although the ultimate outcome remains subject to the resolution of the relevant legal and administrative processes.

Protest and Motion for Issuance of Status Quo Order

In December 2024, the Group filed a Verified Protest and Urgent Motion (Protest and Motion) for Issuance of Status Quo Order with Community Environment and Natural Resources Office (CENRO) Bagac, Bataan in accordance with Department of Environment and Natural Resources (DENR) Administrative Order (AO) 2016-31. The Protest and Motion was filed after the Group was notified that a third party had filed an application for foreshore lease over the very same foreshore area occupied by the assets of the Group and with a pending, timely filed, albeit unacted, renewal application with DENR.

In January 2026, the Group received the Decision dated 19 December 2025 from the Regional Executive Director (RED), which denied the Group's Verified Protest. As at February 11, 2026, the Group has filed its Motion for Reconsideration of the RED's Decision and is currently awaiting the resolution of its Motion for Reconsideration. The Group continues to have additional legal remedies available as the matter may still be elevated to the DENR Secretary on appeal and further to that elevation to the Office of the President, the Court of Appeals before finally with the Supreme Court remains to be available legal remedies for the Group.

Management and its legal counsels do not believe that any current proceedings will have material adverse effects on its financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in estimates or in the effectiveness of strategies relating to these proceedings.

29. Segment Reporting

The Group is organized into one reportable segment, which is the downstream oil operations, particularly the sale of petroleum products. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial information about the sole business segment is equivalent to the consolidated financial statements of the Group.

30. Reconciliation of Liabilities Arising from Financing Activities

The table below details the cash and noncash changes in the Group's liabilities arising from financing activities.

2025						
	Accrued Finance Costs	Dividends Payable (see Note 13)	Advances from Related Parties (see Note 25)	Borrowings (see Note 14)	Lease Liabilities (see Note 22)	Total
Balances at Beginning of Year	₱9,221,715	₱538,020,000	₱542,527,252	₱16,207,085,126	₱343,993,979	₱17,640,848,072
Noncash changes:						
Finance costs	1,124,629,872	-	-	-	23,879,152	1,148,509,024
Settlement through offsetting arrangement	-	-	(542,527,252)	(451,909,360)	-	(994,436,612)
Additions	-	189,794,000	-	-	490,993,179	680,787,179
Lease modifications	-	-	-	-	(98,027,388)	(98,027,388)
Cash changes:						
Availment	-	-	15,477,496	75,767,895,266	-	75,783,372,762
Payments	(1,133,851,587)	(687,981,286)	-	(73,422,737,828)	(72,451,462)	(75,317,022,163)
Balances at End of Year	₱-	₱39,832,714	₱15,477,496	₱18,100,333,204	₱688,387,460	₱18,844,030,874
2024						
	Accrued Finance Costs	Dividends Payable (see Note 13)	Advances from Related Parties (see Note 25)	Borrowings (see Note 14)	Lease Liabilities (see Note 22)	Total
Balances at Beginning of Year	₱484,631	₱273,420,000	₱543,004,748	₱10,614,069,788	₱522,577,520	₱11,953,556,687
Noncash changes:						
Finance costs	969,793,786	-	-	-	23,590,799	993,384,585
Additions	-	264,600,000	-	-	1,875,436	266,475,436
Lease modifications	-	-	-	-	(47,785,698)	(47,785,698)
Cash changes:						
Availment	-	-	-	68,100,960,618	-	68,100,960,618
Payments	(961,056,702)	-	(477,496)	(62,507,945,280)	(156,264,078)	(63,625,743,556)
Balances at End of Year	₱9,221,715	₱538,020,000	₱542,527,252	₱16,207,085,126	₱343,993,979	₱17,640,848,072
2023						
	Accrued Finance Costs	Dividends Payable	Advances from Related Parties	Borrowings	Lease Liabilities	Total
Balances at Beginning of Year	₱-	₱273,420,000	₱542,870,252	₱7,150,894,619	₱714,810,799	₱8,681,995,670
Noncash changes:						
Finance costs	628,837,827	-	-	-	31,888,809	660,726,636
Termination	-	-	-	-	(17,686,113)	(17,686,113)
Additions	-	-	-	-	17,046,481	17,046,481
Cash changes:						
Availment	-	-	134,496	44,277,756,000	-	44,277,890,496
Payments	(628,353,196)	-	-	(40,814,580,831)	(223,482,456)	(41,666,416,483)
Balances at End of Year	₱484,631	₱273,420,000	₱543,004,748	₱10,614,069,788	₱522,577,520	₱11,953,556,687



**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors
Basic Energy Corporation and Subsidiaries
GM Building, Florida St.
Barangay Wack Wack, Greenhills East
Mandaluyong City

We have audited in accordance with the Philippine Standards on Auditing, the consolidated financial statements of Basic Energy Corporation and Subsidiaries (the Group) as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 and have issued our report dated April 7, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole.

The accompanying supplementary schedules are the responsibility of the Group's management. These are presented for purpose of complying with the Revised Securities Regulation Code Rule 68 Part II, and are not part of the basic consolidated financial statements:

- Reconciliation of the Parent Company's Retained Earnings Available for Dividend Declaration as at December 31, 2025
- Schedules required by Annex 68-J as at December 31, 2025
- Schedule of Financial Soundness Indicators as at and for the year ended December 31, 2025 and 2024
- Schedule of External Auditor Fee-Related Information as at December 31, 2025 and 2024
- Map of the Conglomerate as at December 31, 2025

The Schedule of Financial Soundness Indicators, including their definitions, formulas, calculations and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management.



The financial soundness indicators are not measures of operating performance defined by the Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by the other companies. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024.

REYES TACANDONG & Co.



JOSEPH C. BILANGBILIN

Partner

CPA Certificate No. 102884

Tax Identification No. 210-181-965-000

BOA Accreditation No. 4782/P-010; Valid until June 6, 2026

SEC Accreditation No. 102884-SEC Group A

Issued December 27, 2022

Valid for Financial Periods 2022 to 2026

BIR Accreditation No. 08-005144-011-2025

Valid until August 10, 2028

PTR No. 10764010

Issued January 2, 2026, Makati City

April 7, 2026

Makati City, Metro Manila

BASIC ENERGY CORPORATION AND SUBSIDIARIES**SCHEDULE A
FINANCIAL ASSETS
DECEMBER 31, 2025**

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Income received and accrued
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI):			
Quoted Equity Securities:			
Alabang Country Club, Inc	1	P15,000,000	P-
FEC Resources Inc.	1,000,000	135,217	-
Metropolitan Bank & Trust Co.	489	33,497	-
PLDT Inc.	20	25,200	-
Others	18,000,000	2,014,553	-
	19,000,510	P17,208,467	P-

BASIC ENERGY CORPORATION AND SUBSIDIARIES

**SCHEDULE B
AMOUNTS RECEIVABLE FROM
DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES,
AND PRINCIPAL STOCKHOLDERS
DECEMBER 31, 2025**

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Balance at end of period
				Not applicable			

BASIC ENERGY CORPORATION AND SUBSIDIARIES

SCHEDULE C

**AMOUNTS RECEIVABLE FROM
RELATED PARTIES WHICH ARE ELIMINATED DURING
CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Name and Designation of Debtor	Balance at Beginning of Year	Additions	Amounts Collected	Provision for ECL	Current	Noncurrent	Balance at End of Year
Grandway Group Limited	₱231,510,189	₱4,005,961	₱-	₱235,516,150	₱235,516,150	₱-	₱-
Basic Diversified Industrial Holdings, Inc.	23,087,821	2,391,583	-	25,479,404	25,479,404	-	-
Basic Biofuels Corporation	6,742,611	111,715	-	6,854,326	6,854,326	-	-
San Joaquin Wind Energy Corporation	2,976,220	816,356	-	-	3,792,576	-	3,792,576
Basic Energy Mariveles Corporation	713,459	1,601	-	-	715,060	-	715,060
Basic Energy Cadiz 1 Corporation	1,149,802	1,600	-	-	1,151,402	-	1,151,402
Southwest Resources, Inc.	782,495	45,464	-	827,959	827,959	-	-
Basic Energy Renewables Corporation	232,672	14,650	-	-	247,322	-	247,322
Basic Renewables, Inc.	271,976	33,850	-	305,826	305,826	-	-
iBasic, Inc.	5,000	46,383	51,383	-	-	-	-
Basic Renewables Energy Solutions Corporation	99,305	4,913,566	4,900,000	-	112,871	-	112,871
	₱267,571,550	₱12,382,729	₱4,951,383	₱268,983,665	₱275,002,896	₱-	₱6,019,231

BASIC ENERGY CORPORATION AND SUBSIDIARIES

**SCHEDULE D
LONG-TERM DEBT
DECEMBER 31, 2025**

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of loans payable" in related balance sheet	Amount shown under caption "Loans Payable - net of current portion" in related balance sheet	Interest rate	Maturity dates
Promissory Note	79,400,000	7,933,342	62,193,053	6.98% - 7%	Monthly payments of interest, and principal payment at the end of term

BASIC ENERGY CORPORATION AND SUBSIDIARIES

SCHEDULE E

INDEBTEDNESS TO RELATED PARTIES

DECEMBER 31, 2025

Name of related party

Balance at beginning of period

Balance at end of period

Not applicable

BASIC ENERGY CORPORATION AND SUBSIDIARIES

SCHEDULE F

GUARANTEES OF SECURITIES AND OTHER ISSUERS

DECEMBER 31, 2025

Name of issuing entity of securities guaranteed by the Group for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
---	--	--	--	----------------------------

Not applicable

BASIC ENERGY CORPORATION AND SUBSIDIARIES

**SCHEDULE G
CAPITAL STOCK
DECEMBER 31, 2025**

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Treasury Stock	Directors, officers and employees	Others
Common stock	20,000,000,000	14,668,643,064	-	-	-	2,209,145	14,666,433,919

BASIC ENERGY CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
UNDER THE REVISED SECURITIES AND REGULATIONS CODE RULE 68
DECEMBER 31, 2025 AND 2024

	2025	2024
Current assets	₱32,651,394,781	₱27,519,460,822
Divided by: Current liabilities	29,752,194,396	24,964,558,800
Current/liquidity ratio	1.10	1.10
Net income before depreciation, amortization and impairment	₱660,875,220	₱349,414,869
Divided by: Total liabilities	31,025,592,463	25,952,677,765
Solvency ratio	0.02	0.01
Total liabilities	₱31,025,592,463	₱25,952,677,765
Divided by: Total equity	7,311,374,457	7,295,973,191
Debt to equity ratio	4.24	3.56
Quick assets	₱23,532,804,033	₱20,185,330,259
Divided by: Current liabilities	29,752,194,396	24,964,558,800
Quick ratio	0.79	0.81
Total assets	₱38,336,966,920	₱33,248,650,956
Divided by: Total equity	7,311,374,457	7,295,973,191
Asset-to-equity ratio	5.24	4.56
Net income before interest expense and taxes	₱1,351,926,320	₱937,204,887
Divided by: Interest expense	1,148,509,024	993,384,585
Interest rate coverage ratio	1.18	0.94
Net income before interest expense after-tax	₱1,333,808,135	₱1,022,026,476
Divided by: Average total assets	35,792,808,938	14,897,331,071
Return on asset ratio	0.04	0.07
Net income	₱185,299,111	₱28,641,891
Divided by: Average total equity	7,303,673,824	7,412,069,791
Return on equity ratio	0.025	0.004
Net income	₱185,299,111	₱28,641,891
Divided by: Revenues	52,180,157,059	47,956,130,028
Net profit margin	0.004	0.001

BASIC ENERGY CORPORATION

GM Building, Florida St., Brgy. Wack Wack, Greenhills East, Mandaluyong City

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025**

Deficit, Beginning of Year	(P607,673,093)
Add: Net Loss for the Current Year	(26,899,437)
Less: Category C: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Fair value changes in investment properties	(4,871,313)
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(3,901,894)
Adjusted Net Loss	(35,672,644)
Deficit, End of the Reporting Year	(P643,345,737)

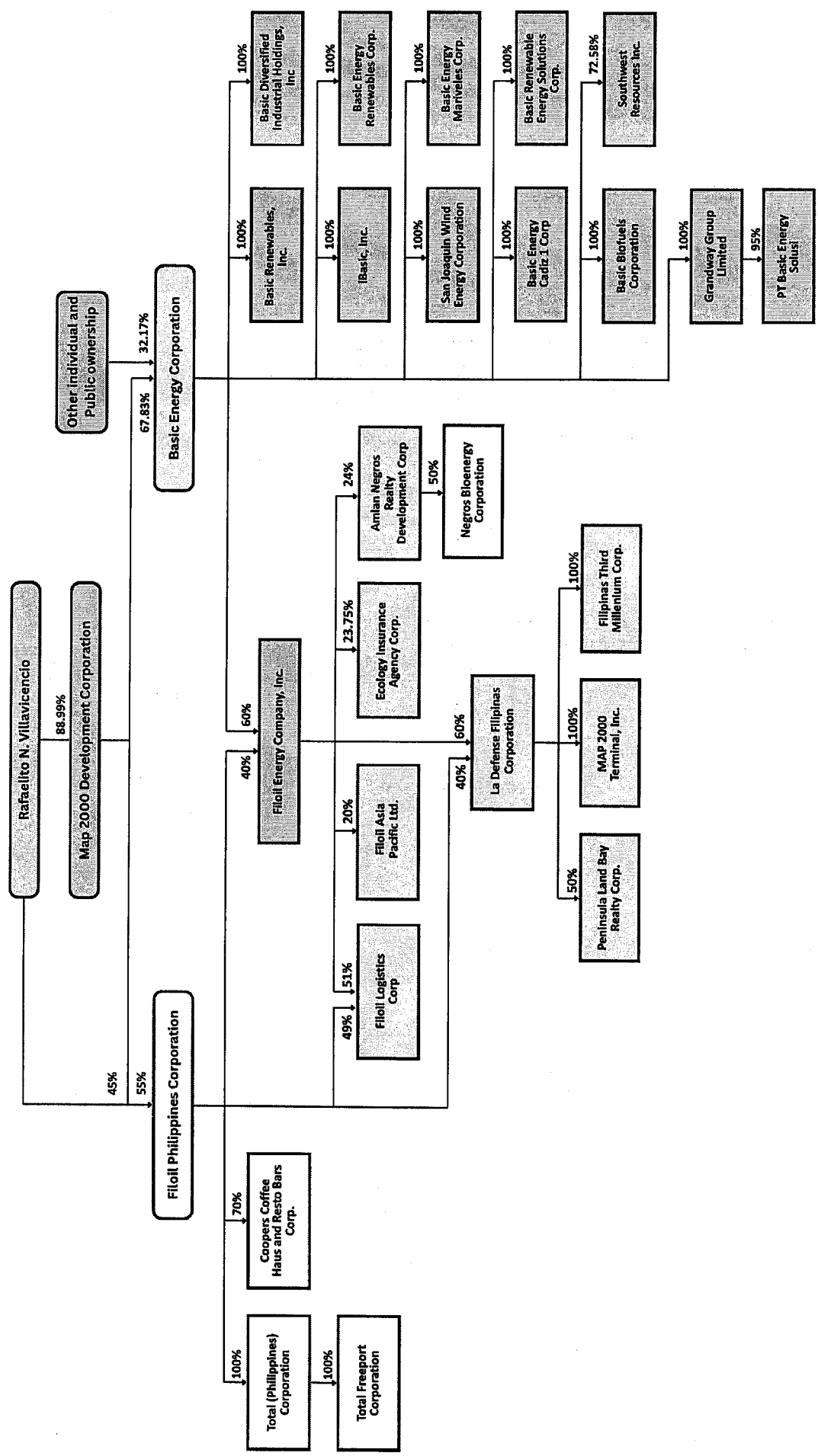
BASIC ENERGY CORPORATION AND SUBSIDIARIES

GM Building, Florida St., Barangay Wack Wack, Greenhills East, Mandaluyong City

**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
DECEMBER 31, 2025 AND 2024**

	2025	2024
Total Audit Fees	₱5,990,000	₱5,020,000
Non-audit service fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit Fees	-	-
TOTAL AUDIT AND NON-AUDIT FEES	₱5,990,000	₱5,020,000

BASIC ENERGY CORPORATION
SUPPLEMENTARY SCHEDULE OF THE MAP OF THE CONGLOMERATE
DECEMBER 31, 2025





SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph



The following document has been received:

Receiving: DONNA ENCARNADO

Receipt Date and Time: May 15, 2026 02:57:37 PM

Company Information

SEC Registration No.: 0000036359

Company Name: BASIC ENERGY CORPORATION

Industry Classification: F45203

Company Type: Stock Corporation

Document Information

Document ID: OST105152026811384350

Document Type: Quarterly Report

Document Code: SEC_Form_17-Q

Period Covered: March 31, 2026

Submission Type: Original Filing

Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

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S.E.C. Registration Number

B A S I C E N E R G Y C O R P O R A T I O N

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(Company's Full Name)

G M B U I L D I N G , F L O R I D A S T . ,

B A R A N G A Y W A C K - W A C K ,

G R E E N H I L L S E A S T ,

M A N D A L U Y O N G C I T Y

(Business Address: No. Street/City/Province)

JANICE L. CO

Contact Person

(02) 8687 1195

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

SEC Form 17-Q

FORM TYPE

Last Wednesday of June

Annual Meeting

[Empty box for Secondary License Type]

Secondary License Type, If Applicable

[Empty box for Dept. Requiring this Doc.]

Dept. Requiring this Doc.

[Empty box for Amended Articles Number/Section]

Amended Articles Number/Section

[Empty box for Total No. of Stockholders]

Total No. of Stockholders

Total Amount of Borrowings

[Empty box for Domestic Borrowings]

Domestic

[Empty box for Foreign Borrowings]

Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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STAMPS

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**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER**

1. For the quarterly period ended: **31 March 2026**
2. Commission identification number: **36359**
3. BIR Tax Identification No.: **000-438-702-000**
4. Exact name of issuer as specified in its charter: **BASIC ENERGY CORPORATION**
5. Province, country or other jurisdiction of incorporation or organization: **Philippines**
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office: **GM Building, 240 EDSA, Wack Wack - Greenhills East, Mandaluyong City**
Postal code: **1556**
8. Issuer's telephone number, including area code: **+63 2 3224 4383**
9. Former name, former address and former fiscal year, if changed since last report: **N.A.**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	14,668,643,064
Listed with PSE	14,218,643,064

11. Are any or all of the securities listed on a Stock Exchange?

Yes No

If yes, state the name of such Stock Exchange and the classes of securities listed therein:

Philippine Stock Exchange ("PSE") **Common Shares**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes No

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes No

**APPLICABLE ONLY TO REGISTRANTS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:**

13. Check whether the registrant has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes No This item is not applicable to the Company.

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

“Attachment A”

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

“Attachment A”


PART II--OTHER INFORMATION

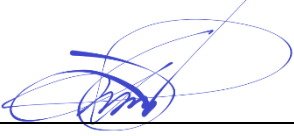
“Attachment A”

The registrant may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant: **Dominique P. Pascua** 
Title: Compliance Officer
Date: _____

Principal Financial Officer: **Alain S. Pangan** 
Title: VP – Finance
Date: _____

ATTACHMENT "A"

FINANCIAL INFORMATION For the period ended March 31, 2026

1. The following Unaudited Financial Statements are contained in this report:

- 1.1 Unaudited Interim Consolidated Statement of Financial Position as at March 31, 2026 and Audited Consolidated Statement of Financial Position as at December 31, 2025
- 1.2 Unaudited Interim Consolidated Statements of Comprehensive Income for the Three Months Ended March 31, 2026 and 2025
- 1.3 Unaudited Interim Consolidated Statements of Changes in Equity for the Three Months Ended March 31, 2026 and 2025
- 1.4 Unaudited Interim Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2026 and 2025

2. Management's Discussion and Analysis of Financial Condition and Results of Operations for the period ending March 31, 2026

A. Key Performance Indicators

Management considers the following as key performance indicators of the company: Return on Investment (ROI), Profit Margin, Performance of Committed Work Programs, Current Ratio and Asset Turnover.

The following table shows the Top 5 performance indicators for the past three interim periods:

Key Performance Indicators	1 st Quarter 2026	1 st Quarter 2025	1 st Quarter 2024
Return on Investments (ROI) (Net income / Ave. Stockholders' Equity)	0.83%	-1.57%	0.29%
Profit Margin (Net income / Net Revenue)	0.32%	-0.90%	0.09%
Current Ratio (Current Assets / Current Liabilities)	1.11:1	1.09:1	1.10:1
Asset Turnover (Net Revenue / Ave. Total Assets)	49.02%	38.34%	42.19%
Solvency Ratios			
Debt to Equity Ratio	4.26	3.55	3.27
Asset to Equity Ratio	5.26	4.55	4.27
Interest Coverage Ratio	1.30	0.50	1.20

ROI (Net Income / Average Stockholders' Equity) measures the profitability of stockholders' investment. Profit Margin (Net Income / Net Revenue) measures the net income produced by each peso of revenue. Current Ratio (Current Assets / Current Liabilities) measures the short-term debt-paying ability of the company. Asset Turnover (Net Revenue / Average Total Assets) measures how efficiently assets are used to produce profit. Solvency Ratios measures the ability to meet the long term debts and obligations.

ROI was 0.83% for the 1st quarter of 2026, -1.57% for the 1st quarter of 2025, and 0.29% for the 1st quarter of 2024. The positive rates for the periods of 2025 and 2023 was due to the net income recognized during the covered period while the negative rate for the period of 2024 was due to the

net loss recognized during the covered period.

Net Profit Margin was 0.32% for the 1st quarter of 2026, -0.90% for the 1st quarter of 2025, and 0.09% for the 1st quarter of 2024. The positive rates for the periods of 2025 and 2023 was due to the net income recognized during the covered period while the negative rate for the period of 2024 was due to the net loss recognized during the covered period.

Current Ratio was 1.11:1 for the 1st quarter of 2026, 1.09:1 for the 1st quarter of 2025, and 1.10:1 for the 1st quarter of 2024. The increase in current ratios in 2026 was due to the higher increase in current assets.

Asset Turnover was 49.02% in the 1st quarter of 2026, 38.34% in the 1st quarter of 2025, and 42.19% in the 1st quarter of 2024. The increase in asset turnover in 2026 was due to the increase in revenue recognized during the period.

Debt to Equity Ratio was 4.26 in the 1st quarter of 2026, 3.55 in the 1st quarter of 2025, and 3.27 in the 1st quarter of 2024. The increase in debt-to-equity ratio in 2025 was due to the increase in liability.

Asset to Equity Ratio was 5.26 in the 1st quarter of 2026, 4.55 in the 1st quarter of 2025, and 4.27 in the 1st quarter of 2024. The increase in ratio for 2026 and 2025 was due to the increase in assets.

Interest Rate Coverage Ratio for the 1st quarter of 2026 was at 1.30, 0.50 for 1st quarter of 2025, and 1.20 for the 1st quarter of 2024.

B. Discussion and Analysis of Financial Condition as of March 31, 2026

For the period ending March 31, 2026, the company recorded total revenue of Php19.86 billion and cost of sales of Php19.23 billion resulting in a gross profit of Php636.38 million. Operating expenses of Php303.02 million, finance costs of Php215.22 million, share in net loss of associates and joint venture of Php49.75 million, other income of Php36.39 million and interest income of Php44.14 million, were recorded for the period ending March 31, 2026 resulting in consolidated income of Php76.14 million. Consolidated net income after tax of Php64.16 million was recorded for the period ending March 31, 2026 after provision for income tax of Php11.98 million.

Total assets as of March 31, 2026 stood at around Php42.21 billion an increase of around Php3.87 billion from Php38.34 billion as of December 31, 2025. Current assets, composed mostly of cash and cash equivalents amounting to Php1.07 billion, trade and other receivables amounting to Php24.24 billion, inventories amounting to Php9.82 billion, excess tax credits of Php1.26 billion, and other current assets Php214.54 billion, increased by around Php3.94 billion. The increase in current assets is primarily due to the increases in trade and other receivables of Php3.21 billion and inventories of Php2.34 billion. The decrease in the aforementioned current assets were mainly partially offset by the decrease in cash and cash equivalents of Php1.43 billion.

Total liabilities as of March 31, 2026 increased by around Php3.56 billion from Php31.03 billion as of December 31, 2025 to Php34.58 billion as of March 31, 2026. Current liabilities, composed of trade and other payables amounting to Php19.65 billion and current portion of borrowings amounting to Php13.39 billion increased by around Php3.28 billion primarily due to the increase in trade and other payables of Php7.99 billion which was partially offset by the decrease in borrowings of around Php4.65 billion. Noncurrent liabilities amounting to Php1.55 billion increased by around Php272.21 million due to the increase in net deferred tax liability by Php18.15 million from its previous balance of PHp1.27 billion.

Total Stockholders' Equity as of March 31, 2026 stood at Php7.63 billion, with equity attributable to equity holders of the parent company at Php4.08 billion and equity attributable to non-controlling interest at Php3.54 billion, Total Stockholders' Equity as of March 31, 2026 of Php7.63 billion increased by around Php315.47 million from Php7.31 billion as of December 31, 2025.

The interim financial report is in compliance with generally accepted accounting principles. The same accounting policies and methods of computation were followed in the interim financial statements, as compared with the most recent audited financial statements, which are as of December 31, 2025.

The interim operations are not characterized by any seasonality or cyclicity. The nature and number of items affecting assets, liabilities, equity, net income and cash flows are explained in Attachment "A" on Financial Information for the period ending March 31, 2026.

There are no changes in estimates of amounts reported in prior interim periods of the current financial year or those reported in prior financial years.

There were no dividends paid (aggregate or per share) separately for ordinary shares and other shares.

Currently, the company has a single business and geographical segment and therefore, segment disclosures have not been included.

There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

There are no changes in the composition of the company during the interim period, including business conditions, acquisition or disposal of subsidiaries and long-term investments, restructurings, and

discontinuing of operations.

Since March 31, 2026, there are no other changes in contingent liabilities or assets and no new material contingencies, events or transactions that have occurred during the current interim period.

There are no trends, demands, commitments, events or uncertainties, known to management that will have a material impact on the company's liquidity.

There are no material commitments for capital expenditures and no seasonal aspects that have a material effect on the financial conditions or results of operations.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

There are no events that will trigger direct or contingent financial obligations that are material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations, (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

The causes for any material changes (5% of the relevant accounts or such lower amount, which the company deems material on the basis of other factors) from period to period which include vertical and horizontal analysis of any material item, have been presented in this report.

There were no sales of unregistered or exempt securities, nor were there any issuances of securities constituting an exempt transaction.

Finally, there are no other material information for disclosure during the current interim period, whether under this report or under SEC Form 17-C.

C. Business Development/Project Updates

Wind Energy Project, Mabini, Batangas

The Company, through its wholly owned subsidiary, RDG Wind Energy Corporation (“**RWEC**”), formerly Mabini Energy Corporation, has been awarded a Wind Energy Service Contract by the DOE on March 17, 2021 to explore, develop, and operate a wind energy power plant for a period of twenty-five (25) years, extensible for another twenty-five (25) years. The project shall be implemented under R.A. 9513 (Renewable Energy Act of 2008) with an exploration area covering 4,860 hectares in Mabini, Batangas.

RWEC has completed the Wind Resource Assessment (“WRA”) campaign in its contracted area last May 2024 which confirms the viability of wind resource in the area. The WRA campaign was completed using a meteorological mast and LIDAR to support the engineering and design of the power plant.

The Company has also entered into a Joint Development and Shareholders Agreement with Renova, a publicly listed RE development company in Japan, for a 50:50 partnership for the continued development of the Mabini Wind Project. This partnership with Renova will provide RWEC with a reliable technical and commercial partner in its Mabini Wind Project.

Considering the full feasibility study of the project is completed and found the project to be viable for commercialization, RWEC has already filed its Declaration of Commerciality before the DOE, transitioning the project from pre-development to development stage. DOE is evaluating the said submission. The project is expected to be completed and commissioned by 2029.

Wind Energy Project – Panay Island (Iloilo and Antique)

The Company, through its wholly owned subsidiary, San Joaquin Wind Energy Corporation (“**SJWEC**”), has been awarded with another Wind Energy Service Contract by the DOE on June 14, 2023. The contracted area covers 13,932 hectares located in San Joaquin, Iloilo and Hamtic Antique. Result of preliminary study shows a potential 155 MW to 200 MW power capacity can be produced in the contracted area. The project shall be implemented under R.A. 9513 (Renewable Energy Act of 2008).

The Company, through SJWEC, is preparing for the WRA campaign to fully assess the viability of wind resources in the area. A third-party wind consultant has been engaged to assist in the preparation in the wind modelling. Permits and licenses required for the WRA campaign is ongoing.

Wind Energy Project – Calatagan, Batangas

The Company was awarded with Wind Energy Service Contract by the DOE on June 22, 2023. The contracted area covering 2,835 hectares is located in the shallow waters along the shorelines in Calatagan, Batangas with a bathymetric depth of less than 60 meters. Result of preliminary study shows that a potential 140 MW to 175 MW power capacity can be produced in the exploration area. The project shall be implemented under R.A. 9513 (Renewable Energy Act of 2008).

On July 30, 2025, DOE approved the conversion of the Wind Energy Service Contract to Nearshore WESC and issuance of a Certificate of Authority (COA) to conduct preliminary development works.

Currently, the Company is preparing for the WRA campaign to fully assess the viability of wind resource in the area.

Wind Energy Project – Pasuquin, Ilocos Norte

The Company was awarded with another Wind Energy Service Contract by the DOE on September 15, 2023. The contracted area, spanning 5,502 hectares in Pasuquin, Ilocos Norte, is located in shallow waters with a bathymetric depth of less than 60 meters. Result of preliminary study shows that a potential of 90 MW to 112 MW power capacity can be produced in the exploration area. The project shall be implemented under R.A. 9513 (Renewable Energy Act of 2008).

On July 29, 2025, the DOE approved the conversion of the Wind Energy Service Contract to an Offshore WESC and issued a Certificate of Authority (COA) to conduct preliminary works. However, an issue was raised by the Department of National Defense with regards to the installation of wind turbines near the vicinity of the Paredes Radar Station, to which the company has referred to the DOE and is seeking a guidance on the way forward. As of this date, the DOE has yet to respond on the matter.

Solar Energy Project – Bolinao, Pangasinan

The Company is exploring to utilize and develop its more than 41-hectare property in Barangay Balingasay, Bolinao, Pangasinan into a solar PV ground-mounted power project. It is expected that a capacity of around 45.18 MWp can be developed in the said area based on the preliminary feasibility study done by JGC Philippines, Inc., a consulting and engineering firm procured by the company to do such study.

The Solar Power Plant will be sent to the grid via a connection to the local electric cooperative, Pangasinan Electric Cooperative I (Panelco1), under an embedded set-up.

The Company has completed the conduct of a Distribution Impact Study (DIS) and Distribution Asset Study (DAS) to assess the existing infrastructure of PANELCO I prior to project execution. Furthermore, a favorable System Impact Study (SIS) from the NGCP was secured. The Company is currently coordinating with PANELCO 1 for implementation of the project under the embedded system.

Solar Energy Project – Mariveles Solar Power Plant

The Department of Energy (DOE) has granted Basic Energy Corporation a Certificate of Authority (COA) for the Mariveles Solar Power Project. Issued under the revised Omnibus Guidelines Governing the Award and Administration of Renewable Energy Contracts (effective June 2024), the COA empowers Basic Energy Corporation to begin securing the necessary permits and tenure instruments required for the project. This certificate also allows the company to initiate procurement activities ahead of the 25-year SEOC contract term.

The Mariveles Solar Power facility is located in Mariveles, Bataan, spanning approximately 72 hectares. According to a preliminary assessment by an independent third-party firm, the plant is expected to generate a peak output of at least 60 megawatts (MWp).

With the COA secured, the Company will now move forward with the next steps in the development process. This includes obtaining approvals from relevant national agencies and local government units.

The project has secured the approval from the National Grid Corporation of the Philippines (NGCP) on the required System Impact Study (“SIS”). The Company is currently in the process of securing the necessary permits and licenses prior to construction.

The solar project is slated for completion and commissioning by the fourth quarter of 2027, contributing to the country’s renewable energy targets.

Solar Energy Project – Cadiz 1 Solar Power Plant

The Department of Energy (“DOE”) has granted the Company a Certificate of Authority (“COA”) for its proposed Solar Energy Operating Contract (“SEOC”) application. The COA, issued under the revised Omnibus Guidelines Governing the Award and Administration of Renewable Energy (“RE”) Contracts effective June 2024, allows the company to secure the necessary permits and tenurial instruments for the project. It also grants the privilege to procure these requirements outside the SEOC’s 25-year contract period.

The Company’s proposed solar power plant will be developed in Cadiz, Negros Occidental, covering approximately 60 hectares. Based on a preliminary study conducted by an independent firm, the facility is expected to generate at least 43.41 MWac of power.

With the COA in hand and the award of the project under the GEA4 of the DOE, the Company has started securing approvals from relevant national agencies and local government units, approval of NGCP’s SIS, as well as converting the COA to Solar Energy Operating Contract (“SEOC”). Given that an EPC company had been contracted, construction will start immediately upon financial close.

The solar project is slated for completion and commissioning by the fourth quarter of 2026, given its commitment under the GEA4 program.

Geothermal Energy

The Company is likewise involved in the exploration, development, and production of geothermal energy. It has been awarded service contracts for various areas by the Department of Energy (“DOE”), which prescribes the periods and programs for these service contracts pursuant to R.A. 9513 (Renewable Energy Act of 2008) for the subsequent geothermal service contract.

The Iriga Geothermal Power Project in Camarines Sur is bounded to the north by Isarog geothermal block of PNOC-RC and to the east by the highly productive Tiwi geothermal service contract area of formerly Chevron, now AP Renewables Inc. The aerial landscape is dominated by Iriga or Asog Volcano, a stratovolcano immediately southwest of Lake Buhi in southern Luzon.

In 2016, Desco Inc. entered into a Farm-in Agreement with the Company acquiring eighty (80%) percent participating interest in and operatorship of the Iriga Geothermal Project. The farm-in agreement and transfer of operatorship on the project to Desco Inc. was approved by the DOE in a letter received by the Company on November 8, 2016. In 2019, Desco Inc. received DOE’s approval for the extension of its work program, which involved securing the permitting requirements for the project, NCIP certification and well site preparations for the drilling of exploratory wells. The Company has a 20% interest in the project.

Currently, the operator, Desco, is undertaking permitting and various works preparatory to the drilling of exploratory wells including the preparatory for the access roads to the drilling sites.

EV Charging Stations

The Company has entered into a partnership with AC Mobility to co-develop EV charging stations across the country through existing retail fuel stations under Basic Energy Corporation’s affiliated companies. The primary purpose of the partnership is to establish public EV charging stations that will be able to accommodate all EVs transgressing across the nation and will help in speeding up the deployment of EVs for private and public usage.

EV charging stations at the Total NLEX station along the northbound lane in Apalit, Pampanga and Ecooil Alabang station along Commerce Avenue in Alabang, Muntinlupa have been established and are already operating. Following the establishment of the EV charging stations in Total NLEX and Ecooil Alabang, EV charging stations in Total SLEX, Ecooil EDSA Mandaluyong, and Ecooil Cainta are next in line to be established, with construction already at the early stage. The Company targets to develop 100 EV charging stations and begin operations by the end of 2026.

Item 1. Financial Statements

The audited consolidated statement of financial position as at December 31, 2025, and the unaudited interim consolidated financial statements as at March 31, 2026 and for the three (3) months ended March 31, 2026 and 2025 and selected notes to the unaudited interim consolidated financial statements of Basic Energy Corporation (the Parent Company) and its subsidiaries (collectively referred to as the "Group") are filed as part of this Form 17Q.

BASIC ENERGY CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026
(With Comparative Audited Figures as at December 31, 2025)

	March 31, 2026	December 31, 2025
ASSETS		
Current Assets		
Cash & cash equivalents	1,068,989,196	2,506,849,701
Trade and other receivables	24,236,619,059	21,025,954,332
Inventories	9,816,839,140	7,480,636,194
Excess tax credits	1,257,963,535	1,275,989,407
Derivative assets	-	37,418,512
Other current assets	214,544,230	324,546,635
Total Current Assets	36,594,955,160	32,651,394,781
Noncurrent Assets		
Receivables - net of current portion	-	397,821,288
Investment in associates and joint venture	233,585,236	267,796,153
Investment properties	1,329,067,758	1,258,460,102
Property and equipment	3,488,629,710	2,933,957,531
Other noncurrent assets	562,780,824	827,537,065
Total Noncurrent Assets	5,614,063,528	5,685,572,139
TOTAL ASSETS	42,209,018,688	38,336,966,920
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	19,649,740,942	11,660,587,340
Borrowings - current	13,386,831,324	18,038,140,151
Lease liabilities - current	-	53,466,905
Total Current Liabilities	24,951,237,777	24,949,723,290
Noncurrent Liabilities		
Loans payable - noncurrent	-	62,193,053
Lease liabilities - noncurrent	632,659,813	634,920,555
Deposit for future stock subscription	279,118,210	
Net retirement benefit liability	5,433,581	5,433,581
Net deferred tax liability	628,394,021	570,850,878
Total Noncurrent Liabilities	1,545,605,625	1,273,398,067
Total Liabilities	34,582,177,890	31,025,592,463
Equity		
Capital stock	3,667,160,766	3,667,160,766
Additional paid-in capital	370,064,055	370,064,055
Deficit	50,033,837	22,528,716
Other equity reserves	(5,093,462)	(42,501,260)
Equity Attributable to Equity Holders of the Parent Company	4,082,165,196	4,017,252,277
Equity Attributable to Non-controlling Interests	3,544,675,602	3,294,122,180
Total Equity	7,626,840,798	7,311,374,457
	42,209,018,688	38,336,966,920

BASIC ENERGY CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

	Periods Ended March 31	
	2026	2025
REVENUES	19,864,408,600	12,749,716,239
COST OF SALES AND SERVICES	19,228,029,447	12,515,289,431
GROSS PROFIT	636,379,153	234,426,808
GENERAL AND ADMINISTRATIVE EXPENSES	(303,024,465)	(326,846,207)
FINANCE COSTS	(215,217,567)	(228,757,194)
INTEREST INCOME	44,135,616	157,768,906
SHARE IN NET INCOME (LOSSES) OF ASSOCIATES AND A JOINT VENTURE	(49,745,184)	(48,158,787)
OTHER INCOME (LOSSES)	(36,385,195)	4,070,120
INCOME (LOSS) BEFORE INCOME TAX	76,142,358	(207,496,354)
INCOME TAX EXPENSE (BENEFIT)		
Current	-	6,395,078
Deferred	11,981,486	(99,271,861)
	11,981,486	(92,876,783)
NET INCOME (LOSS)	64,160,872	(114,619,571)
NET INCOME (LOSS) ATTRIBUTABLE TO:		
Equity holders of the Parent Company	27,505,121	(162,154,285)
Non-controlling interests	36,655,751	47,534,714
Basic/Diluted Earnings (Loss) Per Share (EPS)	0.0044	(0.0008)

BASIC ENERGY CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

			Other Equity Reserves						Treasury Stock	Equity		Total Equity
	Capital Stock	Additional Paid-in Capital	Deficit	Equity Reserve on Acquisition of Non-controlling Interest	Cumulative Gain (Loss) on Translation of Investments in Associates	Cumulative Unrealized Gain (Loss) on Changes in Fair Value of Financial Assets at FVOCI	Cumulative Translation Gain (Loss) on Consolidation of a Foreign Operation	Cumulative Remeasurement Gain (Loss) on Retirement Benefit Liability		Attributable to Equity Holders of the Parent Company	Attributable to Non-Controlling Interests	
Balances as at December 31, 2025	3,667,160,766	370,064,055	22,528,716	8,877,810	(3,118,452)	11,905,329	(6,220,018)	(53,945,929)		4,017,252,277	3,294,122,180	7,311,374,457
Net income			27,505,121							27,505,121	250,553,422	278,058,543
Other Comprehensive Income				(6,889,324)	(7,863,720)	(24,611,244)	3,908,643	72,863,443		37,407,798		37,407,798
Balances as at March 31, 2026	3,667,160,766	370,064,055	50,033,837	1,988,486	(10,982,172)	(12,705,915)	(2,311,375)	18,917,514	-	4,082,165,196	3,544,675,602	7,626,840,798
Balances as at December 31, 2024	3,667,160,766	370,064,055	15,109,658	993,993	392,169	12,107,970	(5,045,126)	(53,945,929)	3,240,000	4,003,597,556	3,322,594,951	7,326,192,507
Net income			(294,104,428)		14,898,306					(279,206,122)	(3,831,466)	(283,037,588)
Other Comprehensive Income				(20,000,000)	11,650,213	728,586	442,236			(7,178,965)	271,315,481	264,136,516
Balances as at March 31, 2025	3,667,160,766	370,064,055	(48,686,410)	(53,945,929)	40,677	0,091,657	497,560	(4,234,561)	(3,240,000)	3,936,565,815	3,603,295,786	7,539,861,601

BASIC ENERGY CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	76,142,358	(207,496,354)
Adjustments for:		
Depreciation and amortization	231,200,714	159,254,475
Share in net loss (income) of associates and a joint venture	49,745,184	48,158,787
Interest income	(44,135,616)	(2,203,781)
Unrealized foreign exchange gain	(22,247,185)	104,479
Gain on disposal of investments in associates		3,965,641
Finance Cost	215,217,567	228,757,194
Retirement Expense	(3,908,643)	(4,800,000)
Operating income (loss) before working capital changes	502,014,379	640,614,553
Decrease (Increase) in:		
Trade and other receivables	(3,210,664,727)	(228,381,421)
Inventories	(2,336,202,946)	(536,499,239)
Other current assets	165,446,789	(447,222,704)
Other noncurrent assets	(98,648,106)	(395,147,584)
Increase (decrease) in trade and other payables	7,989,153,602	(111,958,119)
Net cash generated from (used for) operations	3,374,503,338	(1,073,594,513)
Interest received	44,135,616	157,876,954
Contributions to retirement plan		4,800,000
Net cash provided by operating activities	3,418,638,954	(910,917,559)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Additions)/Deductions to:		
Property and equipment	(323,471,465)	(24,499,091)
Advances to Related Parties		(74,937,506)
Investment properties	(70,607,656)	
Proceeds from sale of:		
Long term placement	397,821,288	15,300,000
Net cash provided by investing activities	3,742,167	(84,136,597)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Borrowings		112,144,744
Payments of:		
Trust receipts payable	(4,713,501,880)	-
Lease liabilities	(55,727,647)	-
Net cash provided by financing activities	(4,769,229,527)	112,144,744
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,346,848,407)	(882,909,412)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(91,012,098)	456,902,119
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,506,849,701	1,664,685,320
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,068,989,196	818,803,914

BASIC ENERGY CORPORATION AND SUBSIDIARIES**AGING OF TRADE AND OTHER RECEIVABLES****AS AT MARCH 31, 2026**

	Total	Current	1- 30 Days	31- 60 Days	61-90 Days	91-365 Days	Over 365 Days
Trade	21,697,656,726	18,595,552,825	922,605,611	320,615,715	66,084,365	299,898,753	1,492,899,456
Nontrade	1,827,491,335						1,827,491,335
Others	711,470,998	711,470,998					
	24,236,619,059	19,307,023,823	922,605,611	320,615,715	66,084,365	299,898,753	3,320,390,791

BASIC ENERGY CORPORATION AND SUBSIDIARIES**AGING OF TRADE AND OTHER PAYABLES****AS AT MARCH 31, 2025**

	Total	Current	1- 30 Days	31- 60 Days	61-90 Days	91-365 Days	Over 365 Days
Trade	16,528,039,222	16,528,039,222					
Nontrade	480,610,279	480,610,279					
Others	2,641,091,441						2,641,091,441
	19,649,740,942	17,008,649,501					2,641,091,441

BASIC ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2026

1. General Information

Corporate Information

Basic Energy Corporation (the Parent Company or BEC) was incorporated under the laws of the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on September 19, 1968. The Parent Company is a holding company with diversified business interests in various fields of renewable energy and alternative fuels, wholesale and distribution of petroleum products, and in oil and gas exploration and development.

The Parent Company shares are listed in the Philippine Stock Exchange (PSE) under the trading symbol “BSC”.

The Group’s ultimate Parent Company is MAP 2000 Development Corporation (M2DC or the Ultimate Parent Company).

The registered business address of the Parent Company is GM Building, Florida St., Barangay Wack Wack, Greenhills, East, Mandaluyong City.

The Parent Company and its subsidiaries are collectively referred to herein as “the Group”. The details of the subsidiaries are as follows:

Subsidiaries	Nature of Business	% of Ownership					
		2025		2024		2023	
		Direct	Indirect	Direct	Indirect	Direct	Indirect
Filoil Energy Company, Inc. (FECI)	Holding company	60.00	–	60.00	–	60.00	–
	Distribution of petroleum products	–	30.60	–	30.60	–	30.60
<ul style="list-style-type: none"> • Filoil Logistics Corporation (FLC) • La Defense Filipinas Holdings Corporation (LDFHC) ○ Filipinas Third Millenium Realty Corporation (FTMRC) ○ Map 2000 Terminals, Inc. (M2TI) ○ Peninsula Land Bay Realty Corp. (PLBRC) 	Holding Company	–	36.00	–	36.00	–	36.00
	Leasing and fuel terminalling	–	36.00	–	36.00	–	36.00
	Leasing and fuel terminalling	–	36.00	–	36.00	–	36.00
	Management services	–	18.00	–	18.00	–	18.00
Grandway Group Limited (GGL)	Holding company	100.00	–	100.00	–	100.00	–
<ul style="list-style-type: none"> • PT Basic Energy Solusi (PT BES) 	Oil exploration	–	95.00	–	95.00	–	95.00
Basic Diversified Industrial Holdings, Inc. (BDIHI)	Holding company	100.00	–	100.00	–	100.00	–
Basic Biofuels Corporation (BBC)	Development of biofuels	100.00	–	100.00	–	100.00	–
Basic Renewables, Inc. (BRI)	Renewable energy projects	100.00	–	100.00	–	100.00	–
iBasic, Inc. (iBasic)	Information Technology	100.00	–	100.00	–	100.00	–
Basic Energy Renewables Corporation (BERC)	Solar energy projects	100.00	–	100.00	–	100.00	–
San Joaquin Wind Energy Corporation	Renewable energy projects	100.00	–	100.00	–	100.00	–
Basic Energy Mariveles Corporation (formerly Starfish Wind Energy Corporation or BEMC)	Renewable energy projects	100.00	–	100.00	–	100.00	–
Basic Energy Cadiz 1 Corporation (formerly Pasuquin Wind Energy Corporation or BEC1C)	Renewable energy projects	100.00	–	100.00	–	100.00	–
Basic Renewable Energy Solutions Corporation (BRESC)	Renewable energy projects	100.00	–	100.00	–	–	–
Southwest Resources, Inc. (SRI)	Oil exploration	72.58	–	72.58	–	72.58	–
RDG Wind Energy Corporation (RWECC)*	Renewable energy projects	49.00	–	100.00	–	100.00	–

**In 2025, ceased as a subsidiary of the Group. As at December 31, 2024, assets and liabilities are included as part of disposal group held for sale.*

All subsidiaries were incorporated and domiciled in the Philippines except GGL and PT BES which were incorporated and domiciled in Hong Kong and Indonesia, respectively.

Status of Renewable Energy Projects

As at March 31, 2026, the Group has various service contracts with the Philippine Government, through the Department of Energy (DOE), for the exclusive right to explore, develop and utilize energy resources within specified contract areas. The contract periods are generally 25 years and are still in the pre-development stage. Status of the Group's renewable energy projects are as follows:

Entity	SC/COA No.	Project Name	Date of Issuance	Location
BEC	SCOA 2025-05-032	Bolinao Solar Power Plant	May 28, 2025	Pangasinan
BEC1C	SCOA 2025-03-012	Cadiz 1 Solar Power Plant	March 24, 2025	Negros Occidental
BEMC	SCOA 2025-03-015	Mariveles Solar Power Project	March 14, 2025	Bataan
BEC	OsWCOA 2025-07-062	Balayan Nearshore Wind Power Project	July 30, 2025	Batangas
RWEC	WESC 2021-01-142	Mabini Wind Project	March 17, 2021	Batangas
SJWEC	WESC 2023-05-279	Panay Wind Project	June 14, 2023	Iloilo

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

All values are rounded to the nearest Peso, unless otherwise indicated.

Measurement Bases

The consolidated financial statements are presented in Philippine Peso (Peso), the Parent Company's functional currency. The Parent Company and its subsidiaries determine their own functional currencies, which best reflect the economic substance of the underlying transactions, events and conditions relevant to each entity. The functional currency of the Parent Company and its subsidiaries is Peso except GGL and PT BES.

At each reporting date, the assets and liabilities of GGL and PT BES are translated from their functional currencies (US Dollar and Indonesian Rupiah, respectively) to the Parent Company's functional and presentation currency (Philippine Peso) using the closing rate at each reporting date, while its comprehensive income is translated using weighted average exchange rates during the year. The exchange differences arising on translation of a foreign operation are recognized in other comprehensive income (OCI).

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The consolidated financial statements of the Group have been prepared on the historical cost basis, except for the following:

Account	Measurement Bases
Financial assets at fair value through other comprehensive income (FVOCI)	Fair Value
Investment properties	Fair Value
Derivative financial instruments	Fair Value

Net retirement asset (liability)	Fair value of plan asset less present value of the defined benefit obligation less effect of asset ceiling
Lease liabilities	Present value of future lease payments

The Group uses market observable data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the following valuation techniques:

- Level 1 – Quoted (unadjusted) market prices in active market for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3 – Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable.

Adoption of Amendments to PFRS Accounting Standards

The accounting policies adopted are consistent with those of the previous year, except for the adoption of amendments to PFRS Accounting Standards effective January 1, 2026. The adoption of the amendments to PFRS Accounting Standards did not materially affect the consolidated financial statements of the Group.

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at March 31, 2026 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective January 1, 2027 -

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity’s assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under the prevailing circumstances, the adoption of the new and amended PFRS Accounting Standards is not expected to have a material impact on the Group’s consolidated financial statements, except for PFRS 18. The Group is currently evaluating the potential effects of PFRS 18 on the presentation and disclosure of the consolidated financial statements, including the structure of the consolidated statements of comprehensive income. Additional disclosures will be provided in the consolidated financial statements, as applicable.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Further, the financial statements of the subsidiaries are prepared using the same reporting period of the Parent Company.

A subsidiary is an entity in which the Parent Company has control. The Parent Company controls a subsidiary if it is exposed, or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. In assessing control, the Parent Company takes into consideration potential voting rights that are currently exercisable.

Subsidiaries are consolidated from the date on which control is transferred to the Parent Company and deconsolidated from the date the Parent Company ceases to have control. Intercompany balances and transactions, including intercompany profits and unrealized profits and losses, are eliminated in full.

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

In 2025, RWEC ceased to be a subsidiary of the Parent Company. Accordingly, the assets and liabilities of RWEC were derecognized from the consolidated financial statements as at and for the period ended March 31, 2026.

Non-controlling Interests

Non-controlling interests, presented within equity, represent the share of a subsidiary's total comprehensive income and net assets that are not attributable to the Parent Company. The Group allocates the subsidiaries' total comprehensive income or loss between the Parent Company's equity holders and the non-controlling interests based on their respective ownership percentages.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition. The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.

"Day 1" Difference. Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there are no observable data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Financial Assets

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given. The initial measurement of financial assets, except for those designated at fair value through profit or loss (FVPL), includes transaction cost.

Classification. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at amortized cost, (b) financial assets at FVOCI, and (c) financial assets at FVPL. The classification of a financial asset at initial recognition largely depends on the Group's business model for managing the asset and its contractual cash flow characteristics.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process.

The Group's cash and cash equivalents, trade and other receivables (excluding nonfinancial assets), short-term placements, long-term placements, and refundable deposits are included in this category.

Financial Assets at FVOCI - Equity Instruments. For equity instruments that are not held for trading, the Group may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, *Financial Instruments: Presentation*. This option is available and made on an instrument-by-instrument basis.

All other gains or losses from equity instruments are recognized in OCI and are presented in the equity section of the consolidated statements of financial position and are not reclassified to profit or loss in subsequent periods, but instead, these are transferred directly to retained earnings.

The Group has investments in quoted equity securities which were irrevocably designated as financial assets at FVOCI.

Financial Assets at FVPL. Financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

After initial recognition, financial instruments at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in profit or loss.

The Group uses derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gain or loss arising from changes in fair value of derivatives that do not qualify for hedge accounting is recognized in profit or loss.

A derivative embedded in a hybrid contract, with financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit of loss category.

The Group classified its derivative assets on outstanding foreign exchange forward contracts and embedded commodity price derivative assets under this category.

Impairment Financial Assets at Amortized Cost. The Group recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at FVPL. ECL is based on the difference between

the cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group has applied the simplified approach and has calculated ECL based on lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

For other financial assets measured at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. The Group also considers reasonable and supportable information that is available without undue cost or effort and is indicative of significant increases in credit risk since initial recognition.

Derecognition. A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The right to receive cash flows from the asset has expired;
- The Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- The Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are recognized initially at fair value, which is the fair value of the consideration received. In case of financial liabilities at amortized cost, the initial measurement is net of any directly attributable transaction costs.

Classification. The Group classified its financial liabilities at initial recognition either financial liabilities at amortized cost or financial liabilities at FVPL.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation

other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue, and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process. As at March 31, 2026, the Group's trade and other payables (excluding nonfinancial liabilities), borrowings and lease liabilities are classified under this category.

Financial Liabilities at FVPL. Financial liabilities at FVPL include financial liabilities that are (a) held for trading or (b) designated upon initial recognition at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

After initial recognition, financial instruments at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial liabilities at FVPL are recognized in profit or loss.

Derecognition. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). Cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition, and it is calculated using the moving average method.

The NRV of inventories is the estimated selling price in the ordinary course of business, less the estimated cost necessary to make the sale. In determining the NRV, the Group considers any adjustment necessary for obsolescence.

When the NRV of the inventories is lower than their cost, the inventories are written down to its NRV and the difference between the cost and NRV of the inventories is charged in profit or loss.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, except land and construction in progress. Land and construction in progress are stated at cost less any accumulated impairment losses.

The initial cost of property and equipment consists of its purchase price after deducting trade discounts and rebates, import duties, nonrefundable purchase taxes, and any other costs directly attributable in bringing the asset to its working condition and location for its intended use. The cost of self-constructed assets includes the cost of materials, direct labor, any other costs directly attributable in bringing the assets to the working condition for their intended use, and costs of dismantling and removing the items and restoring the site on which they are located.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to profit or loss in the year in which such costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase

in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When parts of an item of property and equipment have different useful lives, these are accounted for as separate items (major components) of property and equipment.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the property and equipment:

	Number of Years
Depot and jetty facilities	22
Machineries and equipment	5 to 10
Furniture, fixtures and office equipment	2 to 5
Building and improvements	5 to 10

The estimated useful lives and depreciation method are reviewed at each reporting date to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Construction in progress represents properties under construction and is stated at cost, including costs of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are completed and ready for operational use.

Investments in Associates and Joint Venture

These consist of investments in a joint arrangement classified as a joint venture and associates that are accounted for at equity method.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in associates and joint venture are accounted for under the equity method. The investments are initially recognized at cost and adjusted to recognize the Group's share in the changes in the net assets of the associates since the acquisition date. Goodwill relating to the joint venture or associate is included in the carrying amount of the investment and is not tested for impairment separately. Dividends received by the Group from the associates and joint venture will reduce the carrying amount of the investments when such dividends have been received.

Dividends received from associates and joint venture whose carrying values have been reduced to zero are recognized as income in the consolidated statements of income. The Group recognizes its share in net income or loss of the associates in profit or loss. Any change in OCI of the associates is presented as part of the Group's OCI. In addition, where there has been a change recognized directly in equity of the associate, the Group recognizes its share in these changes, when applicable, in the consolidated statements of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the joint venture or associates are eliminated to the extent of the Group's interest in the joint venture or associates.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in the associate or joint venture. At each financial reporting date, the Group determines whether there is objective evidence that the investment in the joint venture or associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognizes the loss within share in earnings from investments in associates and joint venture in the consolidated statements of comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

The financial statements of the associates are prepared in the same reporting period and using the uniform accounting policies used by the Group.

Investment Properties

Investment properties pertain to land held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes.

Investment properties are accounted for using fair value model. Under the fair value model, investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognized in profit or loss in the period in which they arise.

An investment property is derecognized either when the asset has been disposed of or when the investment property has been permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of retirement or disposal. In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer, if any.

Transfers are made to or from investment property only when there is a change in use, evidenced by the ending of owner-occupation, commencement of an operating lease to another party or ending of the construction or development. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Other Nonfinancial Assets

Other nonfinancial assets pertain to excess tax credits, advances to suppliers, prepayments, input value-added tax (VAT) and deferred input VAT.

Excess Tax Credits. Excess tax credits pertain to the Group's excess income tax payments. These include taxes withheld and remitted to the Bureau of Internal Revenue (BIR) by customers which can be applied to the Group's income tax payable in the same year the related income was recognized. Excess tax credits are carried forward and can be utilized in succeeding years. These are measured at face amount, less any impairment in value.

Advances to Suppliers. Advances to suppliers represent advance payments made in relation to purchase of raw materials and services and are carried at cost. These are to be applied against the suppliers' billing upon the receipt of materials or services.

Prepayments. Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and included in profit or loss when incurred. Prepayments that are expected to be utilized within 12 months after the reporting date are classified as current assets. Otherwise, these are classified as noncurrent assets.

VAT. VAT is a tax on consumption levied on the sale, barter, exchange, or lease of goods or properties and services, and on importation of goods in the Philippines. It is an indirect tax, which may be shifted or passed on to the buyer, transferee or lessee of goods, properties or services.

Revenue, expenses, and assets are recognized net of the amount of VAT, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that include the amount of VAT.

The net amount of VAT recoverable from the taxation authority is presented as "Input VAT" under "Other current assets" account in the consolidated statements of financial position.

Deferred Input VAT. In accordance with Revenue Regulations (RR) No. 16-2005, input VAT on purchases or imports of capital goods (depreciable assets for income tax purposes) with an aggregate acquisition cost (exclusive of VAT) in each of the calendar month exceeding ₱1.0 million is claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter.

Deferred input VAT represents the unamortized amount of input VAT on capital goods and input VAT on the unpaid portion of availed services, including the use or lease of properties.

Based on Revenue Memorandum Circular (RMC) 21-2022, effective January 1, 2022, all input tax on purchases of capital goods shall no longer be deferred, but allowed to be claimed upon purchase or payment. Remaining unutilized input VAT shall be allowed to be amortized as scheduled until fully utilized.

Deferred input VAT that are expected to be claimed against output VAT within 12 months after the reporting date are classified as current assets. Otherwise, these are classified as noncurrent assets.

Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. If such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units (CGU) are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost of disposal or value in use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charges are adjusted prospectively to allocate the asset's revised carrying amount on a systematic basis over its remaining useful life.

Disposal Group Held for Sale

The Group classifies assets and liabilities of disposal group as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Disposal group held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of disposal group, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the disposal group and the sale expected to be completed within one (1) year from the date of classification.

If the one-year period is not complied, the Group can still classify its disposal group as held for sale when:

- There are non-buyer conditions which extend the period required to complete the sale and the conditions can only be complied after a firm purchase commitment is obtained. The firm purchase commitment should be highly probable within one year.
- There are buyer or non-buyer conditions that will extend the period required to complete the sale after the Group obtains a firm purchase agreement and the Group already responded to the conditions expecting favorable resolution.
- During the one-year period, the disposal group held for sale was not sold due to the occurrence of unlikely circumstances and the Group responded to the change in circumstances within the same period. Also, the disposal group should be actively marketed at a reasonable price given the change in circumstances.

The Group recognizes an impairment loss for any initial or subsequent write-down of the disposal group to fair value less costs to sell, to the extent that it has not been recognized in the carrying amount of the disposal group before initial classification as held for sale. The Group recognizes a gain for any subsequent increase in fair value less costs to sell of disposal group, but not in excess of the cumulative impairment loss that has been recognized.

Assets and liabilities of a disposal group classified as held for sale are presented separately as current items in the consolidated statements of financial position.

Advances from Customers

Advances from customers are amounts received in advance for the sale of fuel. These are carried at face amount in the consolidated statements of financial position under "Trade and other payables" account and are recognized as revenues when the related goods are delivered to the customers.

Equity

Capital Stock. Common stock is measured at par value for all shares issued and subscribed. Unpaid subscriptions are recognized as reduction to subscribed capital stock.

Additional Paid-in Capital (APIC). APIC represents the proceeds and/or fair value of consideration received in excess of the par value of the shares issued. Incremental costs directly attributable to the issuance of new common stock are recognized as a deduction from APIC, net of any tax effects.

Retained Earnings (Deficit). Retained earnings (deficit) represents the cumulative balance of the Group's profit or loss.

Treasury Stock. Treasury stock represents the Parent Company's shares held by its subsidiary, which are carried at cost and deducted from equity until the shares are cancelled or sold.

When the shares are subsequently sold, the difference between the cost and consideration received, net of any directly attributable transaction costs, is included in equity attributable to the equity holders of the Parent Company.

Other Equity Reserves. Other equity reserves consist of cumulative balances of items of income and expense that are not recognized in profit or loss in accordance with PFRS Accounting Standards. Other equity reserves of the Group pertain to equity reserve on acquisition of NCI, cumulative gain (loss) on translation of investments in associates, cumulative unrealized gain on changes in fair value of financial assets at FVOCI, cumulative translation gain (loss) on consolidation of a foreign operation, and cumulative remeasurement gain (loss) on net retirement benefit asset (liability).

A change in ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. The difference between the consideration paid or transferred and equity acquired is presented as “Equity reserve on acquisition of non-controlling interest” account within equity in the consolidated financial statements.

Revenue Recognition

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognized.

Sale of Fuel. Sales revenue is recognized at the point in time when control of the asset is transferred to the customer upon delivery.

Port service Income. Port service income pertaining to port services is recognized over the period that the related service is provided.

Other Income. Income from other sources is recognized as revenue when earned.

The following are the specific recognition criteria for other revenues outside the scope of PFRS 15, *Revenues*:

Rental Income. Revenue on rental under non-cancellable and cancellable leases are recognized on a straight-line basis over the lease term.

Interest Income. Interest income is recognized as the interest accrues taking into account the effective yield on the asset, net of final tax.

Expense Recognition

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Cost of Sales. Cost of sales includes the purchase price of the products sold as well as costs that are directly attributable in bringing the inventory to its intended condition and location. Costs of sales is recognized when the related goods are delivered to the customers.

Cost of Services. Cost of services are recognized as expense when the related services are rendered.

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business. These are expensed when incurred.

Finance Costs. Finance costs are recognized in profit or loss using the effective interest method.

Leases

The Group assesses whether the contract is, or contains a lease at the commencement date. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

- i. The right to obtain substantially all of the economic benefits from use of the identified asset; and
- ii. The right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term. The Group also assesses whether a contract contains a lease for each potential separate lease component.

Group as Lessor. Leases where the Group retains substantially all the risks and rewards of ownership are classified as operating leases. Rental income is recognized in profit or loss when earned upon the fulfilment of the variable considerations which are mutually agreed by the parties in the arrangement.

Group as a Lessee. At the commencement date, the Group recognizes ROU asset and lease liability for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

The Group elected to apply the recognition exemption on short-term leases. The related lease expenses on these lease agreements are recognized in profit or loss on a straight-line basis.

ROU Asset. At commencement date of the lease contracts, the Group measures ROU asset at cost. The initial measurement of ROU asset includes the following:

- The amount of the initial measurement of lease liability;
- Lease payments made at or before the commencement date less any lease incentives received;
- Initial direct costs; and
- An estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

After the commencement date, the ROU asset is carried at cost less any accumulated amortization and any accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities.

ROU asset is presented under "Leases" account in the consolidated statements of financial position. Amortization is computed using the straight-line method over the estimated useful life of 25 years or the remaining useful life of the underlying asset at the commencement of the lease, whichever is shorter.

Lease Liabilities. At commencement date, the Group measures lease liabilities at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate (IBR).

Lease payments included in the measurement of lease liabilities comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees; and

- The exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Lease liabilities are subsequently measured at amortized cost. Interest on the lease liabilities and any variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liabilities are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liabilities are remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. Lease liabilities are also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

Employee Benefits

Short-term Benefits. The Group recognizes short-term employee benefits based on contractual arrangements with employees. The unpaid portion of the short-term employee benefits is measured on an undiscounted basis and is included as part of “Trade and other payables” account in the consolidated statements of financial position.

Retirement Benefit. Retirement benefit costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees’ projected salaries. The calculation of net retirement benefits costs is performed annually by a qualified actuary. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The net retirement benefit liability (asset) recognized by the Company is the aggregate of the present value of the defined benefit obligation reduced by the fair value of plan assets out of which the obligations are to be settled directly. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related net retirement benefit liability (asset).

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of the plan assets is based on the market price information. When no market price is available, the fair value of plan assets is estimated by discounting the estimated future cash flows using discount rates that reflect both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the retirement benefit liability, the measurement of the resulting net retirement benefit is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group recognizes retirement benefit costs, comprising of current service cost and net interest

income or expense in profit or loss. The Group determines the net interest cost by applying the discount rate to the defined benefit liability at the beginning of the reporting period, taking into account any changes in the defined benefit liability during the period as a result of benefit payments.

Remeasurements of the net retirement benefit liability, which consist of actuarial gains and losses and the return on plan assets (excluding interest), and the effect of asset ceiling (if any, excluding interest) are recognized immediately in OCI and are not reclassified to profit or loss in subsequent periods.

Foreign Currency

Foreign Currency-Denominated Transactions

Transactions denominated in foreign currencies are translated into the respective functional currencies of the Group using the exchange rate at the dates of the transaction.

Outstanding monetary assets and liabilities denominated in foreign currencies are translated into the respective functional currency using the closing exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Differences arising on settlement or translation of monetary assets and liabilities are recognized in profit or loss.

Translation of a Foreign Operation

A foreign operation is a subsidiary, associate, joint arrangement or branch whose activities are based or conducted in a country or currency other than those of the reporting entity.

At each reporting date, the assets and liabilities of the foreign operation are translated from its functional currency to the Parent Company's functional and presentation currency using the closing rate at each reporting date, while its comprehensive income is translated using weighted average exchange rates during the year.

The exchange differences arising on translation of a foreign operation are recognized in OCI. Upon disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Income Taxes

Current Tax

Current tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used in the computation are those that have been enacted at the reporting date.

Deferred Tax

Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized to equity or in OCI.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

Related Party Transactions

Related party transactions consist of transfers of resources, services, or obligations among the Group.

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its stockholders. Related parties may be individual or corporate entities. The key management personnel of the Group and post-employment benefit plans for the benefit of the Group's employees are also considered to be related parties.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Segment Reporting

The Group reports separate information about its operating segment.

An operating segment is a component of the Group that engages in business activities from which it

may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same Group) and whose operating results are regularly reviewed to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete information is available.

Provisions and Contingencies

Provisions. Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, the estimated cash flows are discounted using a current pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingencies. Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable.

Basic and Diluted Income per Share

Basic Income per Share. Basic income per share is calculated by dividing the net income for the period attributable to equity holders of the Parent Company by the weighted average number of issued and outstanding shares and subscribed shares, with retroactive adjustment for any stock dividends, stock splits or reverse stock splits during the year.

Diluted Income per Share. Diluted income per share is calculated in the same manner as basic income per share, adjusted for the effects of any potentially dilutive, convertible securities.

Events After the Reporting Date

Post year-end events that provide additional information about the Group's financial position at reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. Judgments, Accounting Estimates and Assumptions

The preparation of the consolidated financial statements requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes. The judgments, accounting estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances at the reporting date.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates. The accounting estimates and underlying assumptions are reviewed on an ongoing basis.

The following are the judgments, accounting estimates and assumptions made by the Group:

Judgments

Determining Functional and Presentation Currency. The Group's consolidated financial statements are presented in Philippine Peso, the Parent Company's functional currency, which mainly influences labor, material and other costs of providing goods or services. The Parent Company and its subsidiaries determine their own functional currencies, which best reflect the economic substance of the underlying transactions, events and conditions relevant to each entity.

Based on the economic substance of the underlying circumstances, the functional currency of the Group's subsidiaries, except GGL and PT BES, is the Philippine Peso. The functional currency and presentation currency of GGL and PT BES are US Dollar and Indonesian Rupiah, respectively.

Classifying and Measuring Financial Assets. Classification and measurement of financial assets depend on the results of the contractual cash flow and the business model tests. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how these risks are managed.

At initial recognition, the Group designated its investments in quoted equity as financial assets at FVOCI.

Cash and cash equivalents, trade and other receivables (excluding nonfinancial assets), short and long-term placements, and refundable deposits were classified as financial assets at amortized cost since the Group's primary business model in relation to these assets is to hold the financial assets to collect contractual cash flows solely for principal and interest.

Determining Fair Values. The fair values of securities that are actively traded in organized financial markets are determined by reference to unadjusted quoted market prices at the close of business on the reporting date.

The fair values of financial instruments that are not quoted in active markets are determined by using generally accepted valuation techniques, such as discounted cash flow models. The models are validated and periodically reviewed by qualified personnel independent of the area that created them and are approved by the BOD before these are used. The models are calculated to ensure that output reflects actual data and comparative market prices. Further, inputs used in these models are from observable data and quoted market prices in respect of similar financial instruments. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

While significant components of fair value measurement were determined using verifiable objective evidence, such as foreign exchange rates, the amount of changes in fair value would differ if the Group utilized different valuation methodologies and assumptions. Any changes in fair value of these financial assets and liabilities would affect the consolidated financial statements.

In accordance with the amendments to PFRS 7, disclosures about the level in the fair value hierarchy are required in which the fair value measurements are categorized for assets and liabilities measured in the consolidated statements of financial position.

Assumptions and methods of determining the fair values of financial instruments are presented to the consolidated financial statements.

Determining Operating Lease – Group as Lessor. The Group, as a lessor, has entered into property leases for its investment properties. The Group has determined that it retains all the significant risks

and rewards of ownership of these properties. Accordingly, the leases are accounted for as operating leases.

The amount of rent revenues recognized by the Group are disclosed in the consolidated financial statements.

Classifying Investment Properties. The Group determines whether a property qualifies as an investment property or an item of property and equipment. In making its judgment, the Group considers whether the property is held primarily to earn rentals or capital appreciation or used for operations and administrative purposes by the Group.

The Group classifies land held to earn rentals and for capital appreciation as investment properties.

Classifying RDG Wind Energy Corporation (RWEK) as Disposal Group Held for Sale. The Group exercises judgment in classifying group of assets and liabilities disposal group held for sale by considering the management's commitment to sell the disposal group within one (1) year, the existence of an active program to locate a buyer, and the initiation of a plan to complete the sale.

In 2024, assets and liabilities of RWEK, previously included in the consolidated financial statements, was reclassified to "Asset held for sale" and "Liabilities held for sale" account, respectively, in the consolidated financial statements. This reclassification is in accordance with PFRS 5, *Noncurrent Asset Held for Sale and Discontinued Operations*, which requires that when a sale plan involves the loss of control of a subsidiary, the Group shall classify all the assets and liabilities of that subsidiary as held for sale, regardless of whether it will retain a non-controlling interest after the sale.

On February 14, 2025, the Group completed the sale of its 51% ownership in RWEK to a third party.

Assessing Control of PLBRC. The Group exercises judgment whether control has been established over an investee through consideration of all facts and circumstances to determine whether the Group is exposed or has rights to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity.

The Group considers PLBRC as a subsidiary even though it has less than 51% equity ownership because it can exercise control over the management and operations of PLBRC. Moreover, majority of PLBRC's assets are being utilized in the Group's operations. Accordingly, the consolidated financial statements of the Group include those of PLBRC.

Determining Loss of Control over RWEK and Determining Interests in Joint Arrangements. The Group exercises judgment in determining whether it has joint control over an arrangement. This assessment involves evaluating whether the collective agreement of all parties is required to direct the activities that most significantly affect the returns of the arrangement. Joint control exists when decisions about these relevant activities require the unanimous consent of the parties sharing control.

The Group also evaluates whether a joint arrangement should be classified as a joint operation or a joint venture. This determination is based on an analysis of the Group's rights and obligations, considering the structure and legal form of the arrangement, the terms of the contractual agreement, and, when applicable, other relevant facts and circumstances.

Management has assessed that the Group lost control over RWEK but obtained joint control over the arrangement with the third party. Although the Group holds only 49% ownership interest, joint control was established because the contractual terms require unanimous consent from all parties for decisions on significant relevant activities.

On February 14, 2025, following the sale of its 51% ownership to a third party, the Group reclassified its remaining 49% ownership over RWEC as an investment in a joint venture. The Group determined that the arrangement qualifies as a joint venture as it involves joint control over the net assets of RWEC, which is structured as a separate entity.

Furthermore, the Group determined that its interests in Mariveles Joint Venture Corporation (MJVC) also qualifies as an investment in joint venture.

Determining Existence of Significant Influence over Filoil Asia Pacific, Ltd. (FAP), Ecology Insurance Agency Corp. (EIAC) and Amlan Negros Development Realty Corp. (ANDRC). The Group assessed that it has significant influence over the investees under PAS 28, *Investments in Associates and a Joint Venture*, where significant influence is presumed over interest ownership of at least 20%. Significant influence has been established by the Group over the investees because of its participation in the decision making process of the investees' significant activities, through its representation in the investees' BOD.

Determining Lease Term of Contracts with Extension and Termination Options – Group as a Lessee. The Group determines the term of its lease contracts as non-cancellable, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group's lease contracts includes extension and termination options subject to mutual agreement between the Group and its lessors. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive for it to exercise either the renewal or termination. The management assessed that the option to extend or terminate the lease is not reasonably certain to be exercised. Accordingly, the Group did not include the periods covered by the extension option as part of the lease term, since these are not enforceable at the reporting date.

Evaluating Adequacy of Tax Liabilities. The Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretation of tax laws and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Accounting Estimates and Assumptions

Assessing ECL on Trade Receivables. The Group, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Group also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Group then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data to reflect the effects of current and forecasted economic conditions.

The Group adjusts historical default rates to forward-looking default rates by determining the closely related economic factor affecting each customer segment. The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant accounting estimate. Accordingly, the provision for ECL on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

Assessing ECL on Other Financial Assets at Amortized Cost. The Group determines the allowance for ECL using the general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the counterparty.

The Group also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the counterparty.

For financial assets at amortized cost, the Group assessed that the ECL is not material because the transactions with respect to these financial assets were entered only with banks and counterparties with good credit standing and relatively low risk of default. Accordingly, no provision for ECL on these financial assets was recognized.

Determining NRV of Inventories. The Group writes down the cost of inventories whenever NRV becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The lower of cost or NRV is reviewed regularly to reflect the accurate valuation in the financial records. Inventory items identified to be obsolete and unusable are also written off and charged as expense for the period.

Estimating the Useful Lives of Property and Equipment. The useful lives of property and equipment (excluding land and construction in progress) are estimated based on the period over which the assets are expected to be available for use. They are reviewed periodically and are updated if expectations differ from previous estimates. Any reduction in the estimated useful lives of these assets would increase the Company's recorded operating expenses and decrease noncurrent assets.

Determining the Fair Value of Investment Properties. Land classified as part of investment properties are measured at fair values. The Group works closely with external qualified appraisers who performed the valuation using appropriate valuation techniques. The comparable market data were adjusted as necessary to reflect the specific assets' size, location and other characteristics. The valuation techniques and inputs used in the fair value measurement of investment properties are disclosed in Note 10 to the consolidated financial statements.

Assessing Nonfinancial Assets for Impairment. The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Group considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends; and
- Significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost of disposal or value in use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction, less the cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

Determining Retirement Benefits. The determination of the net retirement benefit asset (liability) and expense is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions include discount rates and salary increase rates among others. Actual results that differ from the Group's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded asset (liability) in such future periods. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the net retirement benefit liability.

Estimating Incremental Borrowing Rate on Lease Liabilities. The Group uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The Group estimates the incremental borrowing rate using available observable inputs (such as the prevailing Bloomberg Valuation Service interest rates) adjusted for entity-specific estimates, to reflect the terms and conditions of the lease.

The Group has applied incremental borrowing rates ranging from 3.28% to 6.54% for the computation of lease liabilities and ROU assets.

Recognizing Deferred Tax Assets. The Group reviews the carrying amount of deferred tax assets at each reporting date and reduces the balance to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Assessing Provisions and Contingencies. The Group evaluates legal proceedings to which it is involved based on analysis of potential results. Management and its legal counsels do not believe that any current proceedings will have material adverse effects on its financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in estimates or in the effectiveness of strategies relating to these proceedings.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **KIM S. JACINTO-HENARES**, Filipino, of legal age and a resident of **6 ROMBLON STREET MANILA MARINA BAYHOMES EAST, TAMBO, PARANAQUE CITY 1703**, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of **BASIC ENERGY CORPORATION** and have been its Independent Director since May 12, 2021
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION / RELATIONSHIP	PERIOD OF SERVICE
REG TEK INC (Pasay City)	Director	March 2020 to Present
Albright Stonebridge Group (Washington D.C USA)	Senior Advisor	July 2017 to Present
Tribute Foundation for International Tax Dispute Resolution (The Hague, Netherlands)	Board Member	November 2018 to Present
Independent Commission for Reform of International Corporate Taxation (Global NGO)	Commissioner	March 2017 to Present
ABS-CBN Lingkod Kapamilya Foundation Inc.	Trustee	November 2019 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **BASIC ENERGY CORPORATION and/or any of its subsidiaries/affiliates** (please refer to the table below), as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.

BSC Wholly Owned Subsidiary-Company	Position/Relationship
NONE	NONE

4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/ OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
NONE	NONE	NONE

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
NONE	NONE	NONE

6. (For those in government service/affiliated with a government agency or GOCC) I have the required permission from the (head of the agency/department) to be an independent director in _____, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules. **(NOT APPLICABLE)**

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of **BASIC ENERGY CORPORATION** of any changes in the abovementioned information with five days from its occurrence.

Done, this JUN 02 2026 day of _____ 2026 at PASIG CITY.

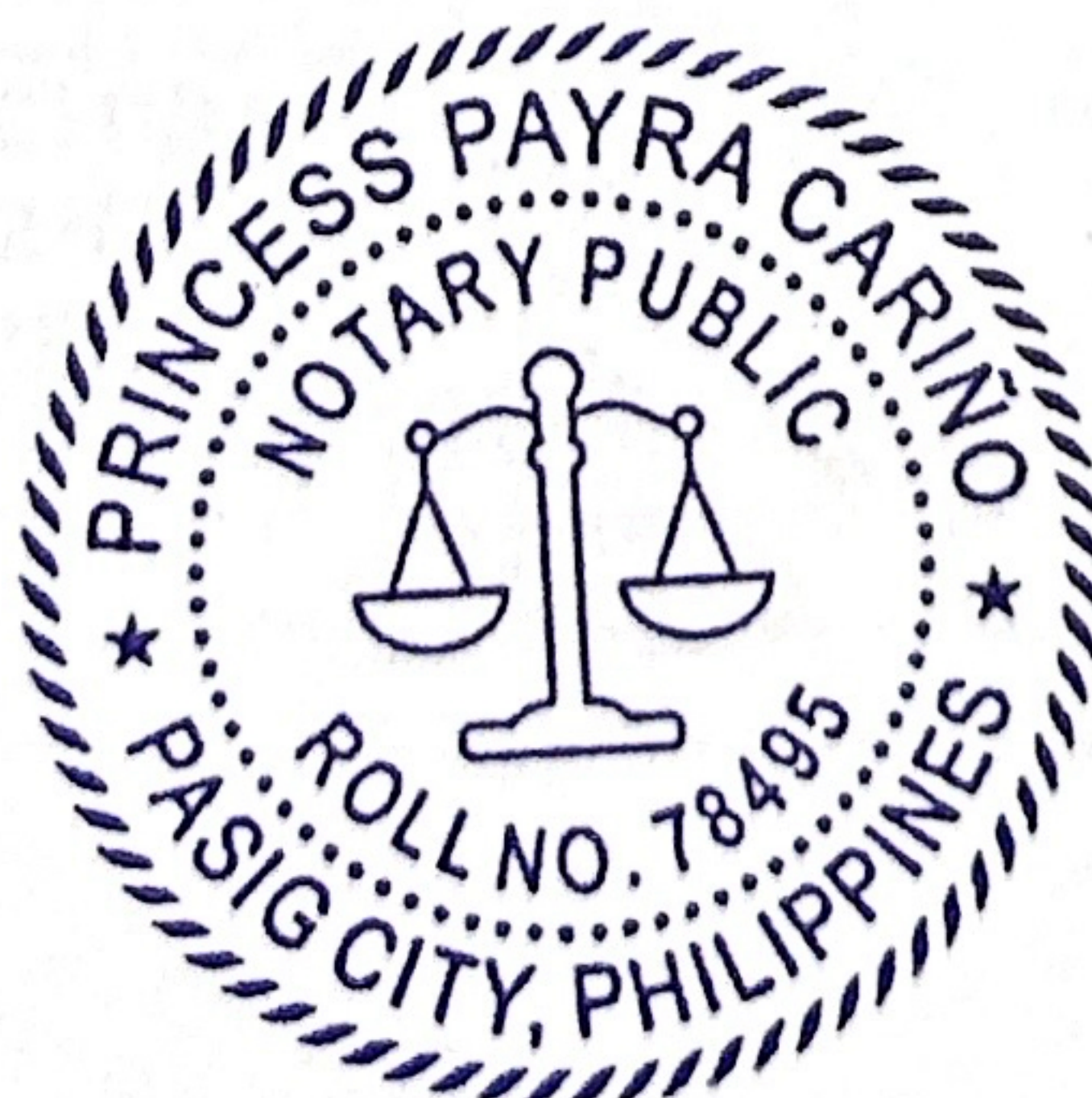
[Handwritten Signature]

KIM S. JACINTO-HENARES
Affiant

SUBSCRIBED AND SWORN to before me this JUN 02 2026 day of _____ 2026 at PASIG CITY, affiant personally appeared before me and exhibited to me her

Tax Identification No. 123-102-974-000

Doc. No. 504 ;
Page No. 102 ;
Book No. I ;
Series of 2026.



[Handwritten Signature]
PRINCESS P. CARINO
Appointment No. 224 / (2025-2026)
Notary Public for Pasig City valid until December 31, 2026
IBP No. INV 569555 / 12.22.2025 / PPLM
PTR No. 4019538 / 01.23.2026 / Pasig City
Roll of Attorneys No. 78495
MCLE Compliance No. VIII-0024000 valid until 14 April 2028
Unit 2904-C West Tower, PSE Center Exchange Road,
Ortigas Center, Pasig City, Metro Manila, Philippines

DOCUMENTARY STAMP TAX PAID
Serial Number 17439740 Date of Payment JUN 02 2026

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JOSEFINA PATRICIA A. MAGPALE-ASIRIT**, Filipino, of legal age and a resident of c/o Basic Energy Corporation, GM Building, 240 EDSA, Florida St., Barangay Wack-Wack, Greenhills East, Mandaluyong City, 1550, Philippines, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of Basic Energy Corporation and have been its Independent Director since May 15, 2025
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP
ANDA POWER CORPORATION	Advisor/Consultant
FUTURE ENERGY STORAGE & SYSTEM INTEGRATION ALLIANCE (FESSIA)	Board Member
GREEN TIGER MARKETS	Advisor/Consultant
PASUDECO DEVELOPMENT CORPORATION	Advisor/Consultant
PENPAL LAW	Of Counsel
VIVANT ENERGY CORPORATION	Independent Director

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Basic Energy Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
5. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.
6. I shall inform the Corporate Secretary of Basic Energy Corporation of any changes in the abovementioned information with five (5) days from its occurrence.

Done, this JUN 02 2026 day of _____ 2026 at MANDALUYONG CITY

[Signature]

JOSEFINA PATRICIA A. MAGPALE-ASIRIT
 Affiant

SUBSCRIBED AND SWORN to before me this JUN 02 2026 day of _____ 2026 at MANDALUYONG CITY, affiant personally appeared before me and exhibited to me her Tax Identification No. 102-768-732.

Doc. No. 376 ;
 Page No. 77 ;
 Book No. 1 ;
 Series of 2026.



[Signature]
JULIANNE KHRISTINA B. BELTRAN
 NOTARY PUBLIC FOR MANDALUYONG CITY
 Until December 31, 2027
 APPOINTMENT NO. 0695-26; Roll No. 84822
 PTR No. MKT10764979, January 5, 2026, Makati City
 IBP No. 569472; December 22, 2025, Quezon City
 MCLE Compliance No. VII-0029854
 240 GM Bldg. EDSA Brgy. Wack Wack
 Mandaluyong City
 Tel No. (+632) 88301800
 Email: juliannekhristinabeltran@gmail.com

DOCUMENTARY STAMP TAX PAID
 Affixed Loose Stamp
 on Notary Public's Copy
 Serial No. 13250841
 Date of Payment 11 MAY 2026

CERTIFICATION OF INDEPENDENT DIRECTOR

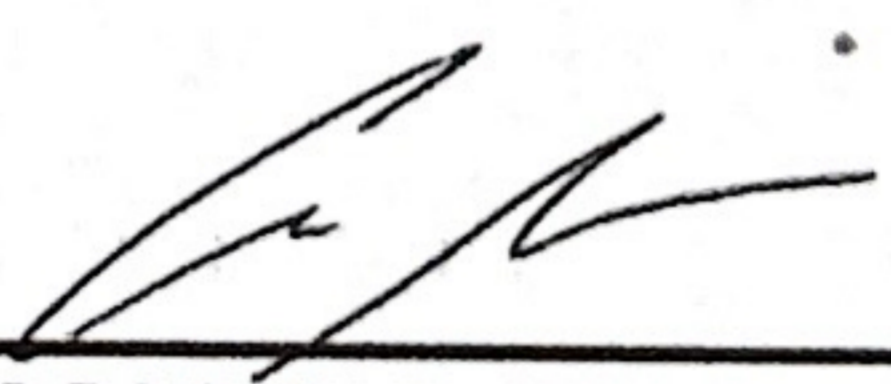
I, **CARLOS JOSE P. GATMAITAN**, Filipino, of legal age, and a resident of c/o Basic Energy Corporation, GM Building, 240 EDSA, Florida St., Barangay Wack-Wack, Greenhills East, Mandaluyong City, 1550, Philippines, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of Basic Energy Corporation and have been its Independent Director since January 1, 2026
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP
ATENEO GRADUATE SCHOOL OF BUSINESS	Faculty
INSTITUTE OF CORPORATE DIRECTORS	Fellow / Faculty
VISMOTOR CORPORATION	Independent Director
LIFE SAVINGS BANK	Independent Director
SOLAR PHILIPPINES NUEVA ECIJA	Independent Director

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Basic Energy Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
5. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.
6. I shall inform the Corporate Secretary of Basic Energy Corporation of any changes in the abovementioned information with five (5) days from its occurrence.

Done, this JUN 02 2026 day of PASIG CITY 2026 at _____.



CARLOS JOSE P. GATMAITAN


Affiant
JUN 02 2026

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2026 at PASIG CITY, affiant personally appeared before me and exhibited to me his Passport with Passport No. P7281184B which is valid until 26 July 2031.

Doc. No. 503 ;
 Page No. 102 ;
 Book No. 1 ;
 Series of 2026.

DOCUMENTARY STAMP TAX PAID
 Serial Number 1730749 Date of Payment JUN 02 2026




PRINCESS PAYRA CARINO
 Appointment No. 224 (2025-2026)
 Notary Public for Pasig City valid until December 31, 2026
 IBP No. INV 569555/ 12.22.2025 / PPLM
 PTR No. 4019538 / 01.23.2026 / Pasig City
 Roll of Attorneys No. 78495
 MCLE Compliance No. VIII-0024000 valid until 14 April 2028
 Unit 2904-C West Tower, PSE Center Exchange Road,
 Ortigas Center, Pasig City, Metro Manila, Philippines

2025 MANAGEMENT REPORT

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

(A) Description of Business

(1) Business Development

The Company was organized initially as Basic Enterprises, Inc., a stock corporation on September 19, 1968 and became an oil and gas exploration and development company on April 26, 1971. A year after, it assumed a new name, Basic Petroleum and Minerals, Inc. Over the years, the Company evolved from an operating company into a holding company under the corporate name, Basic Consolidated, Inc. As a holding company, it held equity investments in the following wholly owned subsidiaries: Basic Diversified Industrial Holdings, Inc., an investment holding company, iBasic, Inc., an information technology management company and service integrator, Basic Biofuels Corporation, which is into the development of biofuels, Basic Renewables, Inc., which is into development of renewable energy, RDG Wind Energy Corporation (formerly Mabini Wind Corporation), which holds the Wind Energy Service Contract for the development of a Wind Energy Project in Mabini, Batangas, Grandway Group Limited, a Hong Kong registered company which is into investments in equities abroad and in Southwest Resources, Inc., an oil exploration company, which is owned 72.58% by the Company. It has also established San Joaquin Wind Energy Corporation, Basic Energy Cadiz 1 Corporation and Basic Energy Mariveles Corporation intended for the project implementation of Panay Onshore Wind Project, Cadiz 1 Solar Project, and Mariveles Solar Project, respectively.

The Company received the Certificate of Authority from the Department of Energy for the conduct of pre-development works for its Mariveles Solar Project and Cadiz 1 Solar Project in Mariveles, Bataan and Cadiz, Negros Occidental, respectively.

Subsequently, the Cadiz 1 Solar Project received an Offer to Subscribe the unsubscribed installation target under the Fourth Round of Green Energy Auction (GEA4) of the DOE last 09 Oct 2026, thus, the said project has selected its EPC and is expected to be commissioned and operational by end of 2026.

For the Mariveles Solar Project, the project is expected to be commissioned and operational by early 2028.

The Company has also received the Certificate of Authority from the Department of Energy for the conduct of pre-development works for its Balayan Nearshore Wind Project and Pasuquin Nearshore Wind Project located in Calatagan, Batangas and Pasuquin, Ilocos Norte, respectively.

The Iriga project is currently in the phase of undertaking permitting and various works preparatory to the drilling of exploratory wells including the preparatory for the access roads to the drilling sites. The Company has a twenty percent (20%) participating interest in the Iriga project, with Desco, Inc. as the operator.

In December 2021, the Company invested in Filoil Energy Company Inc. (FEC) for an equity interest of up to 60% of the latter's outstanding capital stock. The investment in FEC is in line with the strategic move of the Company to improve its operations. The investment in FEC gave the Company indirect participation in FEC's downstream and midstream oil and gas activities.

The Company continues to look for business opportunities for the development of other renewable energy resources such as but not limited to wind and solar power. The Company is also exploring opportunities in the EV industry with the deployment and installation of EV charging stations across the country.

(2) Business of the Company and its Subsidiaries

Wind Energy Project, Mabini, Batangas

The Company, through its wholly owned subsidiary, RDG Wind Energy Corporation (formerly Mabini Energy Corporation) ("**RWEC**"), has been awarded a Wind Energy Service Contract by the DOE on March 17, 2021 to explore, develop, and operate a wind energy power plant for a period of twenty-five (25) years, extensible for another twenty-five (25) years. The project shall be implemented under R.A. 9513 (Renewable Energy Act of 2008).

The exploration area to be covered is 4,860 hectares situated in Mabini, Batangas.

RWEC has completed the Wind Resource Assessment ("**WRA**") campaign in its contracted area last May 2024 to fully assess the viability of wind resource in the area. The WRA campaign was completed using a meteorological mast and a LIDAR to support the engineering and design of the power plant.

The Company has entered into a Joint Development and Shareholders Agreement with Renova, a publicly listed RE development company in Japan, for a 50:50 partnership for the continued development of the Mabini Wind Project. This partnership with Renova will provide RWEC with a reliable technical and commercial partner in its Mabini Wind Project.

Considering the full feasibility study of the project is completed and found the project to be viable for commercialization, RWEC has already filed its Declaration of Commerciality before the DOE, transitioning the project from pre-development to development stage. DOE is evaluating the said submission. The project is expected to be completed and commissioned by 2029.

Wind Energy Project – Panay Island (Iloilo and Antique)

The Company, through its wholly owned subsidiary, San Joaquin Wind Energy Corporation (“**SJWEC**”), has been awarded with another Wind Energy Service Contract by the DOE on June 14, 2023. The contracted area covers 13,932 hectares located in San Joaquin, Iloilo and Hamtic Antique. Result of preliminary study shows that a potential of 155 MW to 200 MW power capacity can be produced in the contracted area. The project shall be implemented under R.A. 9513 (Renewable Energy Act of 2008).

The Company, through SJWEC, is preparing for the WRA campaign to fully assess the viability of wind resources in the area. A foreign wind consultant was hired to assist preparation SJWEC in wind modelling. Permits and licenses required for the WRA campaign is on-going.

Wind Energy Project – Calatagan, Batangas

The Company was awarded with Wind Energy Service Contract by the DOE on June 22, 2023. The contracted area, spanning 2,835 hectares in Calatagan, Batangas, is located in shallow waters with a bathymetric depth of less than 60 meters. Result of preliminary study shows that a potential of 140 MW to 175 MW power capacity can be produced in the exploration area. The project shall be implemented under R.A. 9513 (Renewable Energy Act of 2008).

On July 30, 2025, DOE approved the conversion of the Wind Energy Service Contract to Nearshore WESC and availment of the Certificate of Authority (COA).

Wind Energy Project – Pasuquin, Ilocos Norte

The Company was awarded with another Wind Energy Service Contract by the DOE on September 15, 2023. The contracted area, spanning 5,502 hectares in Pasuquin, Ilocos Norte, is located in shallow waters with a bathymetric depth of less than 60 meters. Result of preliminary study shows that a potential of 90 MW to 112 MW power capacity can be produced in the exploration area. The project shall be implemented under R.A. 9513 (Renewable Energy Act of 2008).

On July 29, 2025, DOE has approved the conversion of the Wind Energy Service Contract to Offshore WESC and availment of the Certificate of Authority (COA). However, due to issue of the Department of National Defense with regards to its objection to the installation of wind turbines near the vicinity of AFP’s Paredes Radar Station, the company is seeking a guidance to the DOE on possible actions to be taken. DOE has yet to respond on the matter.

Solar Energy Project – Bolinao, Pangasinan

The Company is exploring to utilize and develop its more than 41-hectare property in Barangay Balingasay, Bolinao, Pangasinan into a solar PV ground-mounted power project. It is expected that a capacity of around 45.18 MWp can

be developed in the said area based on the preliminary feasibility study done by JGC Philippines, Inc., a consulting and engineering firm procured by the company to do such study.

The Solar Power Plant will be sent to the grid via a connection to the local electric cooperative, Pangasinan Electric Cooperative I (Panelco1), under an embedded set-up.

The Company has completed the conduct of a Distribution Impact Study (DIS) and Distribution Asset Study (DAS) to assess the existing infrastructure of PANELCO I prior to project execution. Furthermore, a favorable System Impact Study (SIS) from the NGCP was secured. The Company is currently coordinating with PANELCO 1 for implementation of the project under the embedded system.

Solar Energy Project – Mariveles Solar Power Plant

The Department of Energy (DOE) has granted Basic Energy Corporation a Certificate of Authority (COA) for the Mariveles Solar Power Project. Issued under the revised Omnibus Guidelines Governing the Award and Administration of Renewable Energy Contracts (effective June 2024), the COA empowers Basic Energy Corporation to begin securing the necessary permits and tenure instruments required for the project. This certificate also allows the company to initiate procurement activities ahead of the 25-year SEOC contract term.

The Mariveles Solar Power facility will be located in Mariveles, Bataan, spanning approximately 72 hectares. According to a preliminary assessment by an independent third-party firm, the plant is expected to generate a peak output of at least 62 megawatts (MWp).

With the COA secured, the Company will now move forward with the next steps in the development process. This includes obtaining approvals from relevant national agencies and local government units.

The project had secured the NGCP approval on the required System Impact Study. Currently, the Company is securing all the necessary permits and licenses prior to its construction. The solar project is slated for completion and commissioning by end of 2027, contributing to the country's renewable energy targets.

Solar Energy Project – Cadiz 1 Solar Power Plant

The Department of Energy (DOE) has granted the Company a Certificate of Authority (COA) for its proposed Solar Energy Operating Contract (SEOC) application. The COA, issued under the revised Omnibus Guidelines Governing the Award and Administration of Renewable Energy (RE) Contracts effective June 2024, allows the company to secure the necessary permits and tenurial

instruments for the project. It also grants the privilege to procure these requirements outside the SEOC's 25-year contract period.

Basic Energy's proposed solar power plant will be developed in Cadiz, Negros Occidental, covering approximately 30 hectares. Based on a preliminary study conducted by an independent firm, the facility is expected to generate at least 43.41 megawatts peak (MWp) of power.

With the COA in hand and the award of the project under the GEA4 of the DOE, the Company will now begin securing approvals from relevant national agencies and local government units, approval of NGCP's SIS, as well as converting the COA to Solar Energy Service Contract (SESC). Given that an EPC company had been procured, construction will start immediately upon the financial closure activity.

The solar project is slated for completion and commissioning by the fourth quarter of 2026, given its commitment under the GEA4 program.

Geothermal Energy

The Company is likewise involved in the exploration, development, and production of geothermal energy. It has been awarded service contracts for various areas by the Department of Energy ("DOE"), which prescribes the periods and programs for these service contracts pursuant to R.A. 9513 (Renewable Energy Act of 2008) for the subsequent geothermal service contract.

The Iriga Geothermal Power Project in Camarines Sur is bounded to the north by Isarog geothermal block of PNOC-RC and to the east by the highly productive Tiwi geothermal service contract area of formerly Chevron, now AP Renewables Inc. The aerial landscape is dominated by Iriga or Asog Volcano, a stratovolcano immediately southwest of Lake Buhi in southern Luzon.

In 2016, Desco Inc. entered into a Farm-in Agreement with the Company acquiring eighty (80%) percent participating interest in and operatorship of the Iriga Geothermal Project. The farm-in agreement and transfer of operatorship on the project to Desco Inc. was approved by the DOE in a letter received by the Company on November 8, 2016. In 2019, Desco Inc. received DOE's approval for the extension of its work program, which involved securing the permitting requirements for the project, NCIP certification and well site preparations for the drilling of exploratory wells. The Company has a 20% interest in the project.

Currently, the operator, Desco, is undertaking permitting and various works preparatory to the drilling of exploratory wells including the preparatory for the access roads to the drilling sites.

EV Charging Stations

The Company recently entered a partnership with AC Mobility to co-develop EV charging stations across the country through existing retail fuel stations under Basic Energy Corporation's affiliated companies. The primary purpose of the partnership is to establish public EV charging stations that will be able to accommodate all EVs transgressing across the nation and will help in speeding up the deployment of EVs for private and public usage.

EV charging stations at the Total NLEX station along the northbound lane in Apalit, Pampanga and EcoOil Alabang station along Commerce Avenue in Alabang, Muntinlupa have been established and are already operating. Following the establishment of the EV charging stations in Total NLEX and Ecooil Alabang, EV charging station in Total SLEX, Ecooil EDSA Mandaluyong, and Ecooil Cainta are next in line to be established, with construction already at the early stage. The Company targets at least 20 EV charging stations to be established and begin operations by the end of 2026.

(3) Employees

The Company has sixteen (16) employees, of which three (3) are executive officers and twelve (12) are assigned as technical, project, accounting, legal, administrative, IT and operations support staff. The Company will hire additional personnel or engage the services of consultants as may be needed. When the Company will pursue additional renewable energy projects, project managers, and engineering, technical and other support personnel may be required for its projects.

Item 2. Properties

The Company and its subsidiary, Basic Diversified Industrial Holdings Inc., own several parcels of land located in Bolinao, Pangasinan, containing an aggregate gross area of about 426,361 square meters. The property is located approximately 4.3 kilometers southwest from the Bolinao-Bani Provincial Road and is best suited for agro-industrial land development.

The Company also owns parcels of land located at Tanay, Rizal with a total area of 35,000 square meters, near the town proper with good roads and is suitable for residential housing development or for an agricultural farm project.

The Company also owns a parcel of land located at Gutalac, Zamboanga del Norte with an area of approximately 22 hectares, suitable for agricultural farm development.

To date, the Company or its subsidiaries do not have any plan to own or acquire additional properties for its projects.

Item 3. Legal Proceedings

The Company or its subsidiaries and affiliates are not involved in any pending legal proceeding(s) relative to properties or property interests of the Company, in the last five (5) years.

Item 4. Submission of Matters to a Vote of Security Holders

The following matters were submitted for approval of the stockholders at the annual stockholders meeting held on July 23, 2025, and were approved as follows:

- a) Approval of the minutes of the annual stockholders meeting held on September 18, 2024;
- b) Approval of the President's Report for 2024 and the 2024 Consolidated Audited Financial Statements of the Company;
- c) Ratification of all acts of Management and the Board for 2024;
- d) Election of the following directors for the term 2025 to 2026:

Manuel Z. Gonzalez	
Oscar L. de Venecia, Jr.	
Luisito V. Poblete	
Beatrice Jane L. Ang	
Ma. Rosette Geraldine L. Oquias	
Jaime J. Martinez	
Oscar S. Reyes	
Alberto Emilio V. Ramos	
Kim S. Jacinto-Henares	- Independent Director
Andres B. Reyes, Jr.	- Independent Director
Josefina Patricia A. Magpale-Asirit	- Independent Director

- e) Appointment of Reyes Tacandong & Co. as External Auditors for the 2025 financial statements.

The above items were approved by the unanimous vote of all stockholders owning 10,358,177,542 shares, present and represented in the said annual stockholders meeting, constituting 70.61% of the total outstanding shares of the Company as of record date of the said annual stockholders meeting.

The Company received duly signed proxies submitted to the Corporate Secretary for purposes of this annual stockholders' meeting.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuers of Common Equity and Related Stockholders Matters

(1) Market Information

The shares of stock of the Company are traded in the Philippine Stock Exchange. The Company's high and low closing prices for each quarter of years 2024 and 2025:

	High			Low		
	Q12025	2024	2023	Q12025	2024	2023
1st Qtr	Php0.120	Php0.247	Php0.360	Php0.140	Php0.167	Php0.250
2nd Qtr	0.112	0.172	0.270	0.170	0.135	0.220
3rd Qtr		0.158	0.230		0.136	0.180
4th Qtr		0.143	0.210		0.120	0.170

Further, the last trading price for the shares of the Corporation, as of December 31, 2025, was at Php0.117 per share.

(2) Holders

Top 20 Stockholders as of December 31, 2024:

Name	Outstanding shares	Percentage
PCD Nominee Corporation (Filipino)	13,962,165,436	95.18%
PCD Nominee Corporation (Non-Filipino)	56,115,259	0.38%
Ecology Energy Corporation	450,000,000	3.06%
Mario T. Buenconsejo or Stephen Pol B. Buenconsejo	15,000,000	0.10%
Samuel Uy	10,000,000	0.06%
Horacio Rodriguez	4,408,523	0.03%
Christine Chua	3,149,221	0.02%
East West Commodities, Inc.	3,019,498	0.02%
Paic Securities Corporation	2,025,906	0.01%
Northwest Securities, Inc.	1,977,273	0.01%
Santiago Tanchan	1,940,398	0.01%
Joseph Ong	1,602,391	0.01%
Phases Realtors Inc.	1,516,002	0.01%
Victoria Duca	1,363,249	0.01%
Aquatic Ranch Development Corp	1,353,080	0.01%
F. Yap Securities, Inc.	1,317,969	0.01%
Victoria Duca	1,279,962	0.01%

David Go Sec. Corp.	1,262,676	0.01%
Oscar L. de Venecia Jr.	1,196,666	0.01%
Ricardo Ng	1,185,000	0.01%
Christodel Phils., Inc.	1,173,745	0.01%

The Company is compliant with the minimum public ownership requirement prescribed under existing regulations of the Securities and Exchange Commission and the Philippine Stock Exchange.

The Company's level of public float as of December 31, 2025 is 26.91% of total outstanding shares.

(3) Dividends

- (a) No cash/stock dividends have been declared in 2025 and 2024.
- (b) There are no restrictions that limit the payment of dividend on common shares.

(4) Recent Sale of Unregistered or Exempt Securities

a. Issuance of Shares to Subscribers of Delinquent Shares Auctioned on September 12, 2023

Of the 1,462,500,000 shares subscribed in 2007 to support the capital increase of the Company in 2007 to Php2.5 billion, 990,000,000 shares have been paid and the application for listing of these shares are still pending with the PSE. The remaining 450,000,000 shares were declared delinquent as of June 10, 2021 and were successfully auctioned on September 12, 2023. The 450 million shares (the "auctioned shares") were sold to the winning bidder, Ecology Energy Corporation, at said auction sale.

The total amount of the winning bid for the auctioned shares in the amount of Php129,982,336.67 were paid on October 27, 2023. The request for confirmation of exemption from registration of these 450,000,000 shares under Section 10.2 of the Securities Regulation Code, was approved by SEC on September 04, 2024.

b. Issuance of Shares to Subscribers of Delinquent Shares Auctioned on August 23, 2021

Of the 1,462,500,000 shares subscribed in 2007 to support the capital increase of the Company in 2007 to Php2.5 billion, 990,000,000 shares have been paid and the application for listing of these shares are still pending with the PSE. The remaining 472,500,000 shares were declared delinquent as of June 10, 2021 and were auctioned on August 23, 2021. Only 22.5 million shares (the "auctioned shares") were sold to the winning bidders at said auction sale, as follows:

Myrna Felinda B. Angeles	7,500,000 shares
Jaime J. Martirez	7,500,000 shares
Oscar S. Reyes	7,500,000 shares

After the auction, the delinquent shares were reduced to 450,000,000. The total amount of the winning bids for the auctioned shares in the amount of Php6,122,736.16 were paid on August 23, 2021. The request for confirmation of exemption from registration of these 22,500,000 shares under Section 10.2 of the Securities Regulation Code, was approved by SEC on March 3, 2023, Notice of Approval for Listing of these shares was issued by PSE on March 23, 2023, subject to submission of documentary requirements for compliance on listing date.

c. Issuance of Shares Under the Company's Stock Option Plan

A stock option plan was approved by the stockholders at the 2007 annual meeting of stockholders, whereby directors and members of the Advisory Board, officers and selected employees of the Company and its subsidiaries, and other persons as determined by the Board of Directors, have been granted the option to purchase shares of stock of the Company from its unissued capital stock at par value, and exercisable on the 3rd year from approval of the plan by the stockholders, subject to such allocation of shares as may be approved by the Board of Directors, not to exceed the total of 500 million shares (SOP shares). On June 18, 2010, the stockholders approved the extension of the exercise period from July 12, 2010 to July 11, 2013. The details and mechanics of the plan have been approved by the Board of Directors on July 29, 2011. The SEC issued its Certificate of Exemption from Registration requirements on September 8, 2011.

The SOP shares subscribed by a total of seventeen (17) directors and officers of the Company were approved in principle for listing by the PSE, as follows: 26.7 million shares in December 2012 and 473.3 million shares in July 2013. All the SOP shares have been fully paid as of April 2021 and have been actually listed in the Philippine Stock Exchange as of July 31, 2021.

d. Issuance of Shares to Meta Corporation Public Company Limited of Thailand

Meta Corporation Public Company Limited (formerly Vintage Engineering Public Company Limited), a publicly listed company registered in Thailand, and a stockholder of the Company, subscribed to 106,892,000 additional shares at the total subscription price of Php26,723,000.00, which were issued as of December 31, 2018 and these shares were confirmed by the SEC as exempt transactions under said Section 10.1 (k) of the Securities Regulation Code, while the application for listing of these shares is still pending with PSE. Additionally, the Company subscribed to 180,384,497 shares at the total subscription price of Php45,096,124.25 on November 15, 2021. The issuance of said shares is pending confirmation by the SEC as an exempt transaction

under Section 10.1 (k) of the Securities Regulation Code, and the application for listing of these shares has been submitted to and is likewise still pending with the PSE.

e. Issuance of Shares to Map 2000 Development Corporation

The Company and Map 2000 Development Corporation (M2DC) executed on December 18, 2020, a Memorandum of Agreement covering the subscription by M2DC to 9,827,990,853 primary shares of stock of the Company, to be issued out of the increase in the authorized capital stock of the Company from Php2.5 billion to Php5 billion, representing 67% of the issued and outstanding capital stock of the Company post-increase. The subscription was subject to the fulfillment of certain conditions, including the approval by the SEC of the application for said increase in capital. On September 10, 2021, the SEC approved the capital increase of the Company to Php5 Billion. The total subscription price for the said shares of M2DC at par value per share of Php0.25 was fully paid in the amount of Php2,456,997,713.25 on December 10, 2021. These subscribed shares of M2DC represent 67% of the total outstanding capital stock of the Company, constituting more than majority control of the Company.

The Company has yet to request for confirmation by SEC of the exemption from registration of the subscribed shares of M2DC under Section 10.1 (i) of the Securities Regulation Code. Likewise, the Company has yet to apply for backdoor listing of the said shares with the Philippine Stock Exchange.

Item 6. Management Discussion and Analysis or Plan of Operations

Plan of Operations 2025

Wind Energy Operations

For 2026, the Company will still focus on wind project development. In particular, the Mabini power plant project has completed the WRA campaign in May 2024 and full feasibility study of the project is completed and found that the project to be viable for commercialization. RWEC, the SPV housing the Mabini Wind Project, has already filed the Declaration of Commerciality before the DOE, transitioning the project from pre-development to development stage.

On the other hand, the Company will pursue the implementation of WRA campaign on the three other awarded wind energy service contracts.

Solar Energy Operations

For 2026, the Company will continue to focus on solar project development. In particular, the Cadiz 1 and Mariveles solar power projects are expected to be completed by end of 2026 and middle of 2027, respectively. With the Cadiz 1 Solar Project winning in GEA-4, the project is committed to achieve COD by end of 2026.

On the other hand, the Company will pursue an offtake agreement for the Mariveles Solar Project with a reputable RES company and is expected to be completed by end of the 2nd quarter of 2027.

The Company is also pursuing solar projects in San Carlos, Negros Occidental, and Bolinao, Pangasinan where it has available access to potential solar project sites.

Green Energy E-Transport Program

For 2025, the Company will still focus on implementing and replicating the program to various locations in the Philippines through establishment of partnership with transport cooperatives and retail stations.

Partnerships for installation of EV charging facilities in existing fuel retail stations around the country with other players in the EV industry is also under negotiation to speed up the program.

EV Charging Stations

With our recent partnership with AC Mobility, the Company will focus on the rollout of the identified fuel retail stations where EV charging station will be established. The Company targets to rollout at least 20 EV charging stations across the country by the end of 2026. Three (3) stations, namely Total SLEX, Ecooil EDSA Mandaluyong, and Ecooil Cainta, have already been identified as viable sites for the establishment of EV charging stations in addition to the completed EV charging stations in Total NLEX and Ecooil Alabang

Geothermal Energy Operations

For 2026, the Company will continue to monitor developments in its remaining project, the Iriga Geothermal project, and the implementation of the work program as approved by the DOE and as undertaken by its operator, Desco Inc.

Business Development

The Company continues to pursue business opportunities for the development of renewable energy resources whether in the Philippines or abroad.

The Company will pursue the development of the Bolinao solar ground-mounted project in its wholly owned property in Bolinao, Pangasinan. The Company is expected to provide at least 45MWp energy to the grid after 1.5 to 2 years. Furthermore, the Bolinao Solar Project has been awarded the Certificate of Authority by the Department of Energy which enables the Company to exclusively conduct pre-development activities in the project site.

The Company is also exploring the development of a floating solar power plant San Carlos, Negros Occidental. The floating solar project will be located in the 20-hectare settling pond of an affiliated company which operates a bio-ethanol plant.

The Company will also pursue BESS projects and is currently evaluating potential sites that are suitable in developing stand-alone BESS projects. The BESS projects are envisioned to be participating in the ancillary services to contribute in the stabilization of the national grid.

The Company continues to evaluate the various fuel retail stations under the affiliated companies as potential sites for EV charging stations. Together with AC Mobility, the Company expects to develop at least 20 EV charging stations within the year.

In relation to the EV charging stations project, the Company has recently launched the “Iwas Taas Pamasah E-Transport Solution Program” together with partners, AC Mobility, First Gen, and Ecology Builders Development Corporation. The program intends to roll out a nationwide Operate-to-Own program to help transport groups modernize their fleet to EV buses without the burden of upfront fees.

The above possible equity investment is part of the Company’s plans to be a major renewable energy and power company. With this objective, BEC was tasked to develop a robust portfolio of renewable energy projects such as solar, wind and biomass energy projects, in the Philippines, that will provide the Company with a continuing stream of revenues in the short and mid-terms.

Management’s Discussion and Analysis of Financial Condition and Results of Operations for 2024

Key Performance Indicators

The following table shows the top 5 Key Performance Indicators for the past two years:

Key Performance Indicators				
	Q12025	2024	2023	2022
Return on Investment	-1.57%	4.64%	0.72%	2.55%
Net Profit Margin	-0.90%	0.36%	0.06%	0.16%
Current Ratio	1.09	1.10	1.10	1.11
Asset Turnover	0.38	1.46	1.52	2.19
Solvency Ratios				
Debt to Equity Ratio	3.55	4.24	3.56	2.96
Asset to Equity Ratio	4.55	5.24	4.56	3.96
Interest Coverage Ratio	0.50	1.18	0.94	1.17

ROI (Net Income/Average Stockholders’ Equity) measures the profitability of stockholders’ investment. Profit Margin (Net Income/Net Revenue) measures the net

income produced by each peso of revenue. Investment in Projects as a % of Total Assets, measures how much the Company invested in its committed work programs. Current Ratio (Current Assets/Current Liabilities) measures the short-term debt paying ability of the Company. Asset Turnover (Net Revenue/Average Total Assets) measures how efficiently assets are used to produce profit.

ROI was 4.64% in 2025, 0.72% in 2024, and 2.55% in 2023. The increase in ROI in 2025 is due to the increase in net income in 2025 while the decrease in 2024 from 2023 is primarily due to the decrease in net income in 2024.

Profit Margin was 0.36% in 2025, 0.06% in 2024, and 0.16% in 2023. The increase in profit margin in 2025 is primarily due to the higher increase in revenue compared to the increase cost of sales. The decrease in profit margin in 2024 was due to the decrease in revenue in the covered periods.

Current ratio was 1.10 in 2025, 1.10 in 2024, and 1.11 in 2023. Current ratio remained almost constant throughout 2023 to 2025 except for a slight decrease from 2023 to 2024 which was due to the higher increase in current liabilities compared to current assets.

Asset turnover was 1.46 in 2025, 1.52 in 2024, and 2.19 in 2023. The further decrease in asset turnover in 2025 from 2024 even with the increase in net income in 2025 was due to the significant increase in asset compared to the increase in net income.

Debt to equity ratio was 4.24 in 2025, 3.56 in 2024, and 2.96 in 2023. The increases in debt to equity ratio in 2025 and 2024 was due to the higher increase in liability compared to the increase in equity.

Asset to equity ratio was 5.24 in 2025, 4.56 in 2024, and 3.96 in 2023. The increase to in 2025 and 2024 was due to the higher increase in assets over equity.

Interest coverage ratio was 1.18 in 2025, 0.94 in 2024, and 1.17 in 2023. The increase in interest coverage ratio in 2025 was due to the increase earnings in 2025 while the decrease in interest coverage ratio in 2024 was due to increase in finance costs due to higher interest rates.

2025

For 2025, the Company's total assets stood at Php38.3 billion, an increase of around Php5.1 billion from its previous year balance of Php33.2 billion. Current assets with a balance of Php32.7 billion in 2025 increased by around Php5.1 billion from Php27.5 billion in 2024 while non-current assets decreased by Php43.6 million to Php5.7 billion in 2025. The increase in current assets is primarily attributable to the increases in cash & cash equivalents of Php842.2 million, trade & other receivables of Php2.5 billion, and inventories of Php2.3 billion.

Total liabilities in 2025 closed at Php31.0 billion, an increase of Php5.1 billion from the balance of Php26.0 billion in 2024. Current liabilities amounting to Php29.8 billion

increased by Php4.8 billion from the balance of Php25.0 billion in 2024. The increase in current liabilities is primarily attributable to the increases in trade & other payables of Php2.9 billion, and borrowings of Php1.9 billion. Noncurrent liabilities amounting to Php1.3 billion increased by Php285.3 million from the balance of Php988.1 million in 2024. This was primarily due to the increase in lease liability of Php331.6 million.

Total equity recorded in 2025 of Php7.3 billion increased by Php15.4 million from its 2024 balance. This was primarily due to the net income recognized during the year which translated into an increase in retained earnings of Php37.6 million.

For 2025, revenues generated amounted to around Php52.2 billion with cost of sales of Php50.1 billion resulting to a gross profit of Php2.1 billion. The Company recognized an increase in gross profit of Php771.2 million in 2025 compared to 2024, wherein it recognized a gross profit of Php1.3 billion from its revenues of Php48 billion and cost of sales of Php46.6 billion. The increase in net sales, cost of sales and gross profit are primarily due to the increase in sales volumes during the year. General & administrative expenses recognized during the year was at Php1.6 billion, an increase of Php374.5 million from its 2024 balance of Php1.2 billion, and finance cost of Php1.1 billion was recognized in 2025, an increase of Php155.1 million from its 2024 balance of Php993.4 million. Other income recognized during the year amounted to Php830.4 million consisting of interest income of Php114 million, share in net income of associate and a joint venture of Php10.8 million and other income of Php705.6 million.

For the year 2025, the Company recorded a consolidated net income of Php185.3 million and total comprehensive income for the year amounted to Php202.9 million, an increase of Php156.7 million and Php170.5 million, respectively.

2024

For 2024, the Company's total assets stood at Php33.2 billion, an increase of around Php3.1 billion from its previous year balance of Php29.8 billion. Current assets with a balance of Php27.5 billion in 2024 increased by around Php3.7 billion from Php23.5 billion in 2023. The increase in current assets is primarily attributable to the increases in trade & other receivables of Php3.8 billion, inventory of Php6 million, excess tax credits of Php320 million, other current assets of around Php30 million and assets held for sale of Php85.2 million which were partially offset by the decrease in cash and cash equivalent of Php172.2 million. Non-current assets decreased by around Php564 million from Php6.3 billion in 2023 to Php5.7 billion in 2024 primarily due to decreases in property & equipment of Php359.9 million, receivable from sale of investment in associate net of current portion of Php148.5 million and other noncurrent assets of Php80.7 million which were partially offset by the increases in investment properties of around Php17 million, and investment in associates and joint venture of Php8.1 million.

Total liabilities in 2024 closed at Php25.9 billion, an increase of Php3.7 billion from the balance of Php22.3 billion in 2023. Current liabilities amounting to Php25 billion increased by Php3.8 billion from the balance of Php21.2 billion in 2023. The increase in current liabilities is primarily attributable to the increases in current portion of loans

payable of Php5.5 billion and liabilities held for sale of around Php14.8 million, which was partially offset by the decrease in trade and other payables of Php1.8 billion. Noncurrent liabilities amounting to Php988.1 million decreased by Php85.3 million from the balance of Php1.1 billion in 2023. This was primarily due to the decrease in lease liability – net of current portion of Php39 million and net deferred tax liability of Php117 million which were partially offset by the increase in loans payable – net of current portion of Php68.8 million.

Total equity recorded in 2024 was Php7.3 billion, a decrease of Php232.2 million from the balance of Php7.5 billion in 2023. This was primarily due to the decreases in retained earnings of Php19.9 million and equity attributable to non-controlling interest of Php215.3 million.

For 2024, revenues generated amounted to around Php48 billion with cost of sales of Php46.8 billion resulting to a gross profit of Php1.2 billion. Compared to 2023, wherein the Company recognized Php64.1 billion with cost of sales of Php62.5 billion, resulting to a gross profit of Php1.6 billion. The decreases in net sales, cost of sales and gross profit are primarily due to the decrease in sales volumes during the year. Other income and expense earned or incurred in 2024 are general & administrative expenses of Php1.1 billion, finance costs of Php993.4 million, interest income of Php142.5 million, share in net income of associate and a joint venture of Php7.5 million and other income – net of other charges of Php662.5 million.

For the year 2024, the Company recorded a consolidated net income of Php28.6 million and total comprehensive income for the year amounted to Php32.4 million.

2023

For 2023, the Company's total assets stood at Php29.8 billion, an increase of Php1 billion from its previous year balance of Php28.8 billion. Current assets with a balance of Php23.5 billion in 2023 increased by Php1.64 billion from Php21.86 billion in 2022. The increase in current assets is primarily attributable to the increases in trade & other receivables of Php1.06 billion, cash and cash equivalents of Php688.6 million and other current assets of Php351.5 million which were partially offset by the decreases in inventories of Php462.7 million. Non-current assets decreased by Php649.3 million from Php6.9 billion in 2022 to Php6.3 billion in 2023 primarily due to decreases in property & equipment of Php527.3 million, receivable from sale of investment in associate net of current portion of Php136.2 million and other noncurrent assets of Php68 million which were partially offset by the increases in investment properties of Php73.1 million and investment in associates and joint venture of Php9.2 million.

Total liabilities in 2023 closed at Php22.3 billion, an increase of Php778.2 million from the balance of Php21.5 billion in 2022. Current liabilities amounting to Php21.2 billion increased by Php1.5 billion from the balance of Php19.7 billion in 2022. The increase in current liabilities is primarily attributable to the increases in current portion of loans payable of Php5.2 billion which was partially offset by the increase decrease in trade and other payables by Php2.5 billion and trust receipts payable of Php1.2 billion. Noncurrent liabilities amounting to Php1.1 billion decreased by Php696.6 from the

balance of Php1.8 billion in 2022. This was due to the decreases in loans payable – net of current portion of Php492.5 million, net deferred tax liability of Php68.8, lease liability – net of current portion of Php124.8 million and net retirement benefit liability of Php10.6 million.

Total equity recorded in 2023 was Php7.5 billion, an increase of Php213.9 million from the balance of Php7.3 billion in 2022. This was primarily due to the increases in capital stock of Php112.5 million, additional paid in capital of Php17.1 million, retained earnings of Php42.6 million and equity attributable to non-controlling interest of Php47.9 million which was partially offset by the decrease in other equity reserves of Php6.2 million.

For 2023, net sales generated amounted to Php64.1 billion with cost of sales of Php62.5 billion resulting to a gross profit of Php1.6 billion. Compared to 2022, wherein the Company recognized Php74.6 billion with cost of sales of Php72.8 billion, resulting to a gross profit of Php1.8 billion. The decreases in net sales, cost of sales and gross profit are primarily due to the decrease in sales volumes during the year. Other income and expense earned or incurred in 2023 are general & administrative expenses of Php1.3 billion, finance costs of Php660.7 million, share in net income of associates of Php9.1 million, other income – net of Php291 million and interest income of Php150.7 million.

For the year 2023, the Company recorded a consolidated net income of Php99.6 million, Php42.7 million of which is attributable to equity holders of the parent company and Php56.9 million to non-controlling interest. Including other comprehensive income of Php15.2 million, the total comprehensive income for the year amounted to Php84.4 million.

Item 7. Financial Statements

The Company's Consolidated Financial Statements and Schedules to Financial Statements are filed as part of this SEC Form 17-A.

Item 8. Changes and Disagreements with Accountants and Financial Closure

External Auditor

Upon the recommendation of the Audit Committee and the Board of Directors, the Company's external auditor, Reyes Tacandong & Co. ("RT&Co.") was appointed at the annual stockholders' meeting on July 23, 2025 as the Company's external auditor for the year 2025.

Audit services of RT&Co. for the fiscal year ended December 31, 2025 included the examination of books and consolidated financial statements of the Corporation and its subsidiaries, assistance in the preparation of the Corporation's final income tax returns and other services related to filing of reports made with the SEC and the BIR.

There was no event in the past three (3) years where RT&Co had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedures.

External Audit Fees

The Company paid the following fees to the external auditors for professional fees rendered in the last three (3) years:

Period Covered	Nature of Audit	Amount (in Php'000)
31 December 2025	Annual audit for regular reportorial requirement	2,000.0
31 December 2024	Annual audit for regular reportorial requirement	1,755.0
31 December 2023	Annual audit for regular reportorial requirement	1,650.0

RT&Co. has no shareholdings in the Company or any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company, in accordance with the professional standards on independence set by the Board of Accountancy and approved by the Professional Regulation Commission.

The Audit Committee reviews the audit scope and coverage, strategy, and results for the approval of the Board. It ensures that audit services rendered shall not impair or derogate the independence of the external auditors or violate SEC regulations. Likewise, the Audit Committee evaluates and determines any non-audit work performed by external auditors, including the fees therefore, and ensures that such work will not conflict with the duties of the external auditors or threaten their independence.

Disagreements with External Auditors on Accounting and Financial Disclosure

There has been no event in the past three (3) years where the External Auditors and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedures.

There were no disagreements with the Company's external auditors on any accounting and financial disclosures in the 2025 Audited Financial Statements of the Company.

The accounting policies adopted are consistent with those of the previous year, except for the adoption of amendments to PFRS Accounting Standards effective January 1, 2025. The adoption of the amendments to PFRS Accounting Standards did not materially affect the consolidated financial statements of the Group.

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2025 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective January 1, 2026 –

- Annual Improvements to PFRS Accounting Standards Volume 11:
 - Amendments to PFRS 7, Financial Instruments: Disclosures – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.
 - Amendments to PAS 7, Statement of Cash Flows – The amendments clarify that when accounting for an investment in an associate, a joint venture or a subsidiary accounted for by use of the equity or at cost, an investor restricts its reporting in the statements of cash flows to the cash flows between itself and the investee, such as dividends and advances.
 - Amendments to PFRS 9, Financial Instruments – Transaction Price and Lessee Derecognition of Lease Liabilities – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments also replace the reference to ‘transaction price as defined by PFRS 15, Revenue from Contracts with Customers’ to ‘the amount determined by applying PFRS 15’ to remove potential confusion. Earlier application is permitted.

Effective January 1, 2027 -

- PFRS 18, Presentation and Disclosure in Financial Statements – This standard replaces PAS 1, Presentation of Financial Statements, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity’s assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under the prevailing circumstances, the adoption of the new and amended PFRS Accounting Standards is not expected to have a material impact on the Group’s consolidated financial statements, except for PFRS 18. The Group is currently evaluating the potential effects of PFRS 18 on the presentation and disclosure of the

consolidated financial statements, including the structure of the consolidated statements of comprehensive income. Additional disclosures will be provided in the consolidated financial statements, as applicable.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Board of Directors

The following are the members of the Board of Directors of the Company as of December 31, 2025:

Kim S. Jacinto - Henares	Chairwoman and Independent Director
Manuel Z. Gonzalez	Vice Chairman
Oscar L. de Venecia, Jr.	Vice Chairman
Luisito V. Poblete	
Beatrice Jane L. Ang	
Jaime J. Martirez	
Ma. Rosette Geraldine L. Oquias	
Alberto Emilio V. Ramos	
Josefina Patricia A. Magpale-Asirit	Independent Director

Background Information

The following are the names, ages, positions, and period of service in the Company of the incumbent directors and key officers of the Company:

Directors

Kim S. Jacinto - Henares, 65 years old, Filipino, is an Independent Director of Basic Energy Corporation from May 12, 2021 to the present. She is currently a Director of Reg Tek, Inc. and serves as Senior International Advisor/Consultant to various groups and projects, like Albright Stonebridge Group. She is a Board Member of the Tribute Foundation for International Tax Dispute Resolution (The Hague, Netherlands) and a Commissioner of the Independent Commission for Reform of International Corporate Taxation. She served as a Member of the United Nations Economic & Social Commission for Asia and Pacific (Eminent Expert Group on Tax Policy and Public Expenditure Management, Bangkok, Thailand) and UN Committee on Experts on International Cooperation in Tax Matters (Geneva, Switzerland). She was appointed Commissioner of the Bureau of Internal Revenue and held office from 2010 to 2016, after being a Deputy Commissioner for the Special Concerns Group of the Bureau from 2003 to 2005. Prior to BIR, she served as Governor of the Board of Investment. She was Vice Chairperson of the Ad Hoc Group for Action 15 (Multilateral Instrument to Implement Tax Treaty Related Measures to Tackle Base Erosion Action Plan (BEPS) (Paris, France). She used to be connected also with ING Bank N.V. Manila Branch as its Vice President and as Deputy to the Vice Chairman of Security Banking Corporation. She was employed by Romulo, Mabanta, Buenaventura, Sayoc & Delos Angeles Law Office as Senior Associate and by Sycip, Gorres, Velayo & Co. as Tax

Lawyer. Early in her career, she was General Manager of St. J. Square Marketing Corporation. She was also an Accounting Lecturer in De La Salle University, Manila.

She obtained her degree in Bachelor of Science in Commerce major in Accounting at De La Salle University Manila, and her Bachelor of Laws at the Ateneo de Manila University, consistently with flying colors. She further studied and obtained her degree in Master of Laws, major in International and Comparative Law at the Georgetown University (Washington DC, USA). She also attended the University of New Brunswick (Fredericton, New Brunswick, Canada), McGill University, Faculty of Law (Montreal, Quebec, Canada) and University of Toronto. Faculty of Law (Toronto, Ontario, Canada) as Fulfillment of the Requirement of the Joint Accreditation Committee. Finally, she obtained her Postgraduate Diploma in International Dispute Resolution at the Queen Mary University of London.

Having served the government as an accountant and lawyer, she was a recipient of the Lingkod Bayan Award by the Civil Service Commission and Order of Lakandula (Bayani).

Manuel Z. Gonzalez, 60 years old, Filipino, is the Vice Chairman of the Board of Basic Energy Corporation. He was elected as director of the Corporation on May 12, 2021 and holds that position up to the present. He is a Senior Partner in Martinez Vergara Gonzalez & Serrano Law Office since 2006 up to the present. Prior to co-founding MVGS Law, Atty. Gonzalez was a partner with the Picazo Buyco Tan Fider & Santos Law Office until 2006. Atty. Gonzalez has been involved in corporate practice for over 20 years and has extensive experience and has been recognized by “The Legal 500” for his practice in the areas of capital markets, energy, mergers & acquisitions and banking and finance. Atty. Gonzalez currently serves as Director and Corporate Secretary to many corporations including companies in the Century Pacific Group since 1995, Nomura Holdings Philippines since 2006 and ADP (Philippines) Inc. since 2010. He has attended continuing legal education programs required for the practice of law and a seminar on corporate governance in 2021. Atty. Gonzalez graduated cum laude with a Bachelor of Arts degree in Political Science and Economics from New York University and received a Bachelor of Laws from the University of the Philippines, College of Law.

Oscar L. De Venecia Jr., 58 years old, Filipino, is a director and the President and CEO of the Corporation. He was the Executive Vice President & COO of the Corporation since April 04, 2007 and was appointed as President & CEO of the Corporation in August 2011. He has served the Corporation in various executive positions, namely, as SVP and COO from June, 1997 up to June 2001 and was the President and CEO from December 2002 up to November 2005. He is the President of Basic Geothermal Energy Corporation, Basic Renewables, Inc. and Basic Biofuels Corporation, and Basic Diversified Industrial Holdings, Inc., the Chairman and President of iBasic, Inc., director of Basic Consolidated International, Inc. and President of Southwest Resources, Inc.

He was the President of Forum Energy Philippines, Inc. from November 2005 to April 2007, Chairman and CEO of Blue Bamboo Solutions, Inc. from September 2002 to

December 2005, a Consultant for Strategic Alliance Development Corporation from March 2002 and moved as Business Development Manager of Stradcom Corporation from May to November 2002. He was the President of the Rotary Club of Makati East for the Rotary Year 2010-2011 and is a member of the Management Association of the Philippines. He was appointed Honorary Vice Consul of the Consulate of Ukraine in the Philippines covering the Clark-Subic Economic Zone on February 18, 2011.

He obtained his degree in Bachelor of Arts in Economics from Fordham University, New York City, in 1996.

Luisito V. Poblete, 67 years old, Filipino, is the Director, President and Chief Operating Officer. He started doing general management consultancy work from 2018 and continues to do so up to the present. From 2016 to 2017, he was the President & Managing Director for Total (Philippines) Corporation and previous to that stint, he was the Vice President for Operations and HSEQ from 2013 to 2016 and the Vice President for Operations from 2002-2007. He was also assigned as Health, Safety and Environmental Manager from 2007 to 2009 and as Vice President for HSEQ and Technical from 2009 to 2013 at Total Oil Asia Pacific (Singapore Regional Office).

Prior to his work at Total (Philippines) Corporation, he worked with Pilipinas Shell Petroleum Corporation from 1980 to 1997, handling various operations and engineering positions at the Pandacan installation of the said company.

He earned the degree of Bachelor of Science in Mechanical Engineering from the Mapua Institute of Technology and placed Eighth in the PRC Board of Examination for Mechanical Engineers in 1982.

Beatrice Jane L. Ang, Filipino, 43 years old. Dr. Ang is presently a Director and Corporate Secretary of Quindecim Holdings, Inc., a venture providing for healthcare and related services, a position she held since 2017, and the Managing Director and Treasurer of BA Securities, Inc., from 2003 up to the present. She is also the Managing Director of CLMC Group of Companies, which is into manufacturing, import and export of telecommunication facilities, software development, information technology and real estate, among others, from 2003 up to the present. Her international diplomatic experience consists of her being presently the Honorary Consul Designate of the Honorary Consulate of Ukraine and the Special Assistant to the Consul of the Honorary Consulate of Tanzania. She was the Special Assistant to the Consul General of the Honorary Consulate of Peru from 2007 to 2010. Her socio-civic work experience includes being the Administrator of the Buddhist Tzu Chi Medical Foundation Philippines, Inc., since 2019 to the present and the Commissioner of the Tzu Chi Buddhist Compassion Relief Foundation from 1995 to the present. She is an active volunteer in Sagip Bayan Foundation, Inc. since 2006 to the present and has more than 20 years of social leadership experience in various institutions such as the Red Cross, UNICEF, Habitat for Humanity, and other NGOs.

She obtained her Bachelor of Science in Biology degree from the University of the Philippines in 2004, a Doctor of Medicine degree in 2011 from St. Luke College of

Medicine and a Master of Business Administration in General Management in 2014 from the Northwestern University and Hongkong University of Science & Technology.

Jaime J. Martinez, 71 years old, Filipino, is a director of the Corporation and its subsidiaries since October 2007. He is the President & CEO of Unicapital Finance and Investments, Inc., Managing Director and Treasurer of Unicapital, Inc., Treasurer and Director of Unicapital Securities, Inc., Chairman, and President & CEO of Unoventure, Inc., a PEZA registered enterprise facilities provider. He is the Chairman of the Executive Committee of the Unicapital Group of Companies. He is a director in Majalco, Inc., a diversified holding corporation, in Malayan Savings Bank and in MJ Holdings, Inc., a real estate company engaged in commercial property development in the Makati Central Business District. He is a past director of the Philippine Finance Association, a member of the Makati Business Club and the European Chamber of Commerce (ECCP). He has acquired and developed professional expertise in the field of Investment Banking for the last 41 years, since 1976.

He obtained his degree in Bachelor of Science in Management from De La Salle University in 1975 and completed the academic units for a Master's degree in Business Administration from the Ateneo Graduate School of Business in 1979.

Ma. Rosette Geraldine L. Oquias, 58 years old, Filipino and is a director of Basic Energy Corporation since May 12, 2021. She is presently the Vice President for Corporate Affairs and Chief Finance Officer of the FilOil Logistics Corporation, a position she held since 2016. Previous to this assignment, she was Financial Consultant to FilOil Energy Company, Inc. from 2015-2016.

She previously worked with the Equis Funds Group as Business Partner to the CEO and Divisional Presidents and as Financial and Operations Manager/ Team Manager, from 2014 to 2015. She worked with MDI Systems for almost 11 years, handling Integration/Microwarehouse/Wolfpac and Microserve, and was Chief Financial Officer for Biogstar Philippines. She was also the Chief Finance Officer for 2 years in Pillsbury Philippines, Inc., and the AVP-Comptroller for Empire East Properties, Inc. for 2 years. Her prior work experiences include her work as Financial Controller at Pepsi-Cola Products Philippines Inc., as Manager for Budget Financial Planning at Fil Pacific Apparel Corporation and as Auditor at the audit firm, Carlos Valdes & Co.

She graduated with a BSBA degree from the Miriam College Foundation and studied at the Graduate School of Business and Economics of De La Salle University. She is currently a candidate for certification as Chartered Financial Analyst.

Alberto Emilio V. Ramos is a highly experienced professional in the banking and financial sector with over 40 years of expertise. He served as President of Malayan Savings Bank from 2020 up to March 2024.

Prior to Malayan Savings Bank, Mr. Ramos served as an Executive Vice President at China Banking Corporation ("CBC") from 2006 to 2019. Concurrently, he held various executive positions for several subsidiaries of CBC. Before his stint at CBC, he was the

President of AIG – PhilAm Asset Management Inc. from 2004 to 2006 and was a Vice President at the Bank of Philippine Islands from 1993 to 1994.

He also held significant roles in other banks, including Western State Bank and Tokai Bank in California, USA.

He holds a Bachelor of Arts and Commerce from De La Salle University (DLSU), a Master in Business Management from Asian Institute of Management (AIM) and a Certificate in General Management from University of California, Los Angeles (UCLA).

Josefina Patricia A. Magpale-Asirit, 59 years old, Filipino, is an Independent Director of the Corporation, with her term commencing in May 2025. She has extensive experience in the energy sector, spanning both the public and private spheres.

Her professional background includes serving as a Consultant in the Office of Rafael T. Tulfo, and as Chairperson of the Senate Committee on Energy and the Joint Congressional Energy Commission from July 2022 to June 2024. She also served as Chief of Staff of the Department of Energy from July 2010 to October 2012. In the private sector, she was engaged as a Resource Person for CSi Energy Solutions International from August 2025 to February 2026, and as Senior Advisor for the OEP-ERM Philippine Offshore Wind Workforce Assessment from October 2025 to March 2026.

At present, she serves as a Consultant for Green Tiger Market Advisory Council. She is likewise a Lecturer and Speaker at the National Electrification Administration, where she conducts orientations for newly elected members of the boards of directors of electric cooperatives on matters relating to the electric power industry. In addition, she currently serves as an Independent Director of Vivant Energy Corporation and Future Energy Storage & System Integration Alliance.

She was admitted to the Philippine Bar in April 1995. She holds a Juris Doctor degree and a Bachelor of Arts in Political Science degree, both from the University of the Philippines, where she graduated *cum laude*.

Officers

Oscar L. De Venecia Jr., 58 years old, Filipino, is a director and the President and CEO of the Corporation. He was the Executive Vice President & COO of the Corporation since April 04, 2007 and was appointed as President & CEO of the Corporation in August 2011. He has served the Corporation in various executive positions, namely, as SVP and COO from June, 1997 up to June 2001 and was the President and CEO from December 2002 up to November 2005. He is the President of Basic Geothermal Energy Corporation, Basic Renewables, Inc. and Basic Biofuels Corporation, and Basic Diversified Industrial Holdings, Inc., the Chairman and President of iBasic, Inc., director of Basic Consolidated International, Inc. and President of Southwest Resources, Inc.

He was the President of Forum Energy Philippines, Inc. from November 2005 to April 2007, Chairman and CEO of Blue Bamboo Solutions, Inc. from September 2002 to December 2005, a Consultant for Strategic Alliance Development Corporation from March 2002 and moved as Business Development Manager of Stradcom Corporation from May to November 2002. He was the President of the Rotary Club of Makati East for the Rotary Year 2010-2011 and is a member of the Management Association of the Philippines. He was appointed Honorary Vice Consul of the Consulate of Ukraine in the Philippines covering the Clark-Subic Economic Zone on February 18, 2011.

He obtained his degree in Bachelor of Arts in Economics from Fordham University, New York City, in 1996.

Luisito V. Poblete, 67 years old, Filipino, who joined the Company as Chief Operating Officer in May 2021. He started doing general management consultancy work from 2018 and continues to do so up to the present. From 2016 to 2017, he was the President & Managing Director for Total (Philippines) Corporation and previous to that stint, he was the Vice President for Operations and HSEQ from 2013 to 2016 and the Vice President for Operations from 2002-2007. He was also assigned as Health, Safety and Environmental Manager from 2007 to 2009 and as Vice President for HSEQ and Technical from 2009 to 2013 at Total Oil Asia Pacific (Singapore Regional Office).

Prior to his work at Total (Philippines) Corporation, he worked with Pilipinas Shell Petroleum Corporation from 1980 to 1997, handling various operations and engineering positions at the Pandacan installation of the said company.

He earned the degree of Bachelor of Science in Mechanical Engineering from the Mapua Institute of Technology and placed Eighth in the PRC Board of Examination for Mechanical Engineers in 1982.

Alain S. Pangan, 47 years old, Filipino, a Certified Public Accountant, was engaged as Vice President for Finance effective January 2018. Prior to joining the Company, he was the Investment and Treasury Manager of Enfinity Asia Pacific Holdings Limited – Manila ROHQ and Enfinity Philippines Technology Services, Inc., a renewable energy company with international activities in solar and wind energy, for more than three (3) years. He has more than seven (7) years of audit, compliance, and advisory work with reputable Philippine audit/advisory firms. He obtained his Bachelor of Science degree in Accountancy from the Far Eastern University.

Darius Efren A. Marasigan, 53 years old, Filipino, is the Business Development Officer of the Corporation. He rendered consultancy services on renewable energy projects for Restored Energy Development Corporation of the Armadillo Group of Companies from August 2012 to April 2014, and for PNOC Renewables Corporation from November 2010 to August 2013. He was Senior Planning Officer at the PPP Center of the Philippines of NEDA from July 2007 to October 2010. Prior thereto, he was employed as Officer-in-Charge, Contracts & Claims Unit of the Meralco Industrial Engineering Services Corporation. He graduated from the Mapua Institute of Technology with a Bachelor of Science degree in Electrical Engineering, in 1994.

Gwyneth S. Ong, 49 years old, Filipino, is the Corporate Secretary of the Corporation and was appointed on February 28, 2023. She is a Partner at Martinez Vergara & Gonzalez Sociedad from 2015 up to the present, with extensive experience in a broad range of securities and capital market transactions. She graduated with a Bachelor of Science degree in Management major in Legal Management from the Ateneo de Manila University and a Bachelor of Laws degree from the University of the Philippines.

Janice L. Co, 42 years old, Filipino, is the is the Assistant Corporate Secretary of the Corporation and was appointed on February 28, 2023. She is a partner at Martinez Vergara & Gonzalez Sociedad from 2021 up to the present. She earned her Bachelor's degree in Political Science from the Ateneo de Manila University and has a Juris Doctor degree from the Ateneo de Manila University School of Law. She was admitted to the Philippine Bar in 2009.

Dominique P. Pascua, 40 years old, Filipino, is the Compliance Officer of the Corporation starting July 29, 2021. He is a Junior Partner at the Calleja Peralta Jimenez San Luis Uy & Ulibas Law Firm (Calleja Law Firm); prior to his appointment as the Company's Compliance Officer, he served as the Legal Manager for Filoil Logistics Corporation from 2016 to 2020. He has also been serving the Filoil group of companies for more than seven years as its Assistant Legal Counsel.

He obtained his degree in Bachelor of Arts, major in Consular and Diplomatic Affairs, from the De La Salle College of Saint Benilde in 2004 and his degree in Bachelor of Laws from Far Eastern University in 2010.

Involvement in Legal Proceedings

There were no reported pending cases, actions or proceedings, whether judicial, quasi-judicial or administrative in nature, bankruptcy petitions or proceedings filed or pending, conviction in criminal cases by final judgment, or any adverse court order decree or judgment, or violation of any securities or commodities law or regulation involving any of the directors and officers of the Company for the last five (5) years.

Family Relationships

There are no family relationships, whether by consanguinity or affinity, among the other directors and executive officers of the Company.

Board Committees

The members of the Audit Committee, which reviews the audit plans, report, and findings of the internal and external auditors of the Corporation, are:

Kim S. Jacinto-Henares, Independent Director	-	Chairwoman
Josefina Patricia M. Asirit, Independent Director	-	Member
Andres B. Reyes, Jr. Independent Director	-	Member
Ma. Rosette Geraldine L. Oquias	-	Member
Jaime J. Martinez	-	Member

The members of the Nominating Committee, which reviews the qualifications of nominees to the Board of Directors and the key officers of the Corporation, are:

Manuel Z. Gonzalez	-	Chairman
Oscar L. de Venecia, Jr.	-	Member
Jaime J. Martinez	-	Member
Luisito V. Poblete	-	Member
Kim S. Jacinto - Henares, Independent Director	-	Member

The members of the Risk Committee, which reviews the financial reports of the Corporation, reviews all project and investment proposals, and undertakes risk evaluation and management, are:

Josefina Patricia M. Asirit, Independent Director	-	Chairman
Kim S. Jacinto-Henares, Independent Director	-	Member
Andres B. Reyes, Jr. Independent Director	-	Member
Manuel Z. Gonzalez	-	Member
Jaime J. Martinez	-	Member

The members of the Corporate Governance Committee, which is responsible for maintaining and ensuring good governance of the Corporation, are:

Andres B. Reyes, Jr. Independent Director	-	Chairman
Kim S. Jacinto-Henares, Independent Director	-	Member
Josefina Patricia M. Asirit, Independent Director	-	Member
Manuel Z. Gonzalez	-	Member
Beatrice Jane L. Ang	-	Member

The members of the Compensation and Remuneration Committee, which is responsible for determining the salaries and other remuneration for the executives within the company, are:

Alberto Emilio V. Ramos	-	Chairman
Andres B. Reyes, Jr., Independent Director	-	Member
Josefina Patricia M. Asirit Independent Director	-	Member
Ma. Rosette Geraldine L. Oquias	-	Member
Jaime J. Martinez	-	Member

The members of the Related Third-Party Transaction (RPT) Committee, which is responsible for assessing all significant RPTs to guarantee that dealings with affiliated parties are conducted fairly and responsibly, are:

Kim S. Jacinto-Henares., Independent Director	-	Chairwoman
Andres B. Reyes, Jr., Independent Director	-	Member
Gil A. Buenaventura - Independent Director	-	Member
Jaime J. Martinez	-	Member
Josefina Patricia M. Asirit, Independent Director	-	Member
Alberto Emilio V. Ramos	-	Member

Item 10. Executive Compensation

Directors' Compensation

The Directors of the Corporation do not receive compensation from the Company, except per diems for attendance at Board and Committee Meetings at Php20,900.00 and Php10,500.00 per attendance, respectively. There is no existing compensatory plan or arrangement for directors of the Company.

Executive Officers' Compensation

Name / Position	Year	Salary	Bonus	Other Compensation
Oscar L. De Venecia CEO				
Luisito V. Poblete President & COO				
Alain S. Pangan VP, Finance				
Darius A. Marasigan Ops. & Bus. Dev. Manager				
Total	2026	Php14,339,220 (estimated)	Php2,309,480 (estimated)	Php297,600 (estimated)
	2025	14,339,017	2,308,320	467,600
	2024	13,376,924	2,145,702	70,780
All other officers as a group	2026	Php3,840,000 (estimated)	Php640,000 (estimated)	
	2025	2,943,908	480,000	
	2024	2,872,830	181,598	

Except for the stock option plan as above mentioned and the existing retirement plan for officers and employees of the Corporation, there is no existing compensatory plan or arrangement covering bonuses, profit-sharing, warrants and other rights for directors and officers of the Corporation, or which will arise from the resignation, retirement, expiration of term of employment, change in control or change in the officer's responsibilities.

Item 11. Security Ownership of Certain Beneficial Owners and Management

(1) Security Ownership of more than Five Percent (5%) of the Company Shares

As of December 31, 2025, the entity known to the Company to be directly or indirectly the record and beneficial owner of more than five (5%) percent of the Company's common shares, is as follows:

Class	Name, Address of Record Owner, and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
Common Shares	Map 2000 Development Corporation (M2DC)*	Beneficial Owner: Rafaelito N. Villavicencio, Chairman of M2DC.	Filipino	9,827,990,853	67.00 %

MAP 2000 Development Corporation (M2DC), formerly Map 2000 Energy, Inc., is a domestic corporation duly registered under the laws of the Republic of the Philippines and is authorized to engage in (a) real estate acquisition, real estate development, rentals, property management and related services, and (2) acquiring shares of stocks of viable corporations to actively exercise the rights of a shareholder. It owns a few real properties being leased out as fuel station lots, office establishment, production plant or commercial lands.

The current Board of Directors and Officers of M2DC are the following:

Rafaelito N. Villavicencio	- Chairman
Luisito V. Poblete	- President
Ana Lisa D. Villavicencio	- Treasurer
Manuel Z. Gonzalez	
Donna SL. Sansano	- Corporate Secretary

(2) Security Ownership of Management

The following are the number of common shares known to the Corporation to be owned beneficially and/or of record by the incumbent directors and key officers of the Corporation, and the percentage of shareholdings of each, as of December 31, 2025:

(a) Directors

Class	Name of Beneficial Owner	Amount of Beneficial Ownership	Citizenship	Percentage
Common	Oscar L. de Venecia, Jr.	46,942,996	Filipino	0.31%
Common	Jaime J. Martinez	467,500,000	Filipino	3.19%
Common	Beatrice Jane L. Ang	150,945,248	Filipino	1.03%
Common	Manuel Z. Gonzalez	1	Filipino	0.00%

Common	Ma. Rosette Geraldine L. Oquias	1	Filipino	0.00%
Common	Kim S. Jacinto-Henares	1	Filipino	0.00%
Common	Josefina Patricia A. Magpale-Asirit	10,000	Filipino	0.00%
Common	Luisito V. Poblete	10,000	Filipino	0.00%
Common	Alberto Emilio V. Ramos	10,000	Filipino	0.00%
Total		665,418,247		4.54%

(b) Employees

Class	Name of Beneficial Owner	Amount of Beneficial Ownership	Citizenship	Percentage
Common	Emelinda I. Dizon	1,000,000	Filipino	0.01%
Total		1,000,000		0.01%

(c) Indirect Beneficial Ownership of Directors and Management as of December 31, 2025

Class	Name of Beneficial Owner	Amount of Beneficial Ownership	Citizenship	Percentage
Common	Oscar L. De Venecia, Jr.	45,746,330	Filipino	0.31%
Common	Jaime J. Martinez	467,500,000	Filipino	3.19%
Common	Beatrice Jane L. Ang	150,944,248	Filipino	1.03%
Common	Josefina Patricia A. Magpale-Asirit	10,000	Filipino	0.00%
Common	Alberto Emilio V. Ramos	10,000	Filipino	0.00%
Total		664,210,578		4.53%

(1) Voting Trust Holders of 5% of more

None of the directors and officers owns 5% or more of the outstanding capital stock of the Corporation. The Corporation is not also aware of any person holding 5% or more of the Corporation's outstanding shares under a voting trust agreement or similar agreement.

(2) Changes in Control

The Company and Map 2000 Development Corporation (M2DC) executed on December 18, 2020, a Memorandum of Agreement covering the subscription by M2DC to 9,827,990,853 primary shares of stock of the

Company to be issued out of the increase in the authorized capital stock of the Company from Php2.5 billion to Php5 Billion, representing 67% of the issued and outstanding capital stock of the Company post-increase. On May 12, 2021, the Board of Directors approved the execution of the covering Subscription Agreement, subject to the fulfillment of certain conditions, including the approval by the Securities and Exchange Commission (SEC) of the application for said increase in capital. On September 10, 2021, the SEC approved the capital increase of the Company to Php5 Billion. The subscribed shares of M2DC were fully paid on December 10, 2021. These subscribed shares of M2DC represent 67% of the total outstanding capital stock of the Company, constituting more than majority control of the Company.

(3) Shares owned by Foreigners as of December 31, 2025

No. of Shares	% Holdings
60,459,450	0.41%

Item 12. Certain Relationships and Related Transactions

There were no material transactions during the past two years, nor was there any material transaction, contractual or other commitments, currently on-going or being proposed, to which the Company was or is to be a party with any stockholder, incumbent director and/or executive officer of the Company, disclosed or required to be disclosed in the financial statements of the Company pursuant to SFAS/IAS No. 24. In the normal course of business, the Company has transactions with its subsidiaries consisting of non-interest-bearing advances to finance the working capital requirements of these subsidiaries, and provides assistance to its subsidiaries in carrying out certain administrative functions in connection with its business operations.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Company has an established evaluation system to determine the level of compliance of the Board and Management with its Manual on Corporate Governance, which consists of a feedback mechanism from the shareholders as well as an annual Board Performance Assessment which is accomplished by the Board through self-assessment and properly indicating the compliance rating. Said assessment includes the performance of the Chairman, the individual directors and the Committees and is conducted and monitored by the Corporate Governance Committee.

To further advance good governance, the Company – through its Board – has established its vision, objectives, policies and management of the Company based on an adequate internal control system and enterprise risk management network with the aim of ensuring integrity, transparency and proper governance in the conduct of all its affairs.

There have been no deviations from the Company's Manual on Corporate Governance and full compliance thereto has been made since the adoption of the Manual. All directors (both new and veteran) and key officers have complied with the annual continuing training program on corporate governance requirement under the Corporate Governance Code and the Company's own Manual on Corporate Governance for the year 2025, to ensure that all directors are continuously informed of the developments in the business and regulatory environment relevant to the Company. Proper disclosure of the annual compliance of Directors and Key Officers to the Corporate Governance training has been made to the respective regulatory agencies.

The Company continues to take steps further enhancing its adherence to the practice and internationally and locally accepted leading principles of good corporate governance.

Sustainability Report

A copy of the Company's Sustainability Report for 2025 is attached hereto as Exhibit 3.

REQUEST FOR 2024 ANNUAL REPORT ON SEC FORM 17-A

The Corporation will provide without charge each person solicited, on the written request of any such person, a copy of the Corporation's Annual Report for 2024 (SEC Form 17-A). Such written request should be directed to the:

Corporate Secretary
Basic Energy Corporation
GM Building, 240 EDSA,
Wack Wack Greenhills,
Mandaluyong City 1555

At the discretion of Management, a charge may be made for exhibits, provided the charge is limited to reasonable expenses incurred by the Corporation in furnishing the exhibits.

June 03, 2025, Mandaluyong City

LUISITO V. POBLETE
President & CEO